THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

January 18, 1947

KUOMINTANG'S FUTURE

AN EDITORIAL

Imperialism In Formosa

By Joshua W. K. Liao

Pay 'Em Enough

By Lam On-pong

The Student Demonstrations

By Frank L. Tsao

COST OF CIVIL WAR

AN EDITORIAL

VOLUME 104 PRICE CNC$1,000 Number 7

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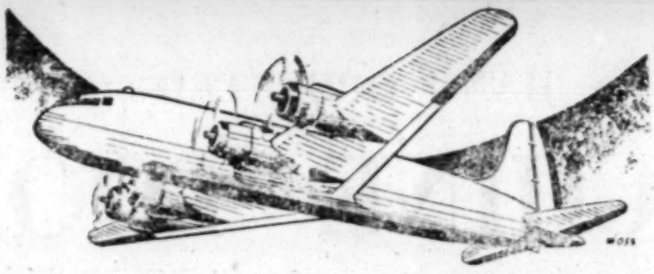

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Sino-U.S. Cooperation

To The Editor:

Most of the Chinese people are poor enough even without a civil war. Now that the scale of fighting becomes greater, it is more difficult for the country to travel her road to economic recovery, while both the Chinese and Americans believe that only peace and a sound national economy can raise the standards of living in China and increase the volume of trade between the two countries.

Everybody knows that national economy to a country is something like blood to the human body. If a man has anaemia his resistance to disease is weak and he will be sick easily. Symptoms that China is critically sick economically, as we see now, are many, and the best way to save the patient from dying, naturally, will be transfusion of new blood.

China, however, is rich in resources which are yet to be properly developed. The biggest problem that confronts China just now is, of course, a lack of capital to develop these resources, to open up factories and to establish the needed communications networks and airlines. Here is a chance to solve the question of unemployment in both China and America. We should welcome American investment, other forms of economic aid and also American technical assistance. In short, we need American cooperation to put China on her feet economically, so she will be able to become an asset in the task of accomplishing world peace.

It is necessary, of course, that the nation's leaders bring peace to the country and enlarge the basis of government before any steps can be taken along the lines stated above, so that foreign and, in particular, American investment in China will be less of a gamble than present conditions have so far proved it to be. But the writer is fully convinced that economic prosperity in this country will chiefly be brought about through cooperation between our two traditionally friendly nations, America and China.

TIEN LAI-YI

Huhsien, Shensi,
December 30, 1946.

THE CHINA WEEKLY REVIEW

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Couldn't Land

To The Editor:

Referring to the letter entitled Hobby Or....? I was shocked by such undesirable speeches which ought not to be made by a gentleman.

I am very sorry to occupy so much of your space, but I ask, your kindness to publish this my short parable.

I remember once a number of college students on board my ship heading for Europe. On arriving off the coast of Europe many landed; but one of them wept bitterly and refused to land saying.

"Oh! my dear ship; I can't see Europe if I have to leave you!"

A SAILOR

Shanghai,
January 6, 1947.

Dangerous Explosions

To The Editor:

There was a big bang this morning at the end of the former Japanese concession, causing a considerable tumult in the nearby area. Women, dragging behind them their children, rushed from their homes to safety. Coincidentally, just at the time the explosion was heard a number of commercial planes were flying overhead, and they therefore greatly increased the scare to the people, who still remember the last air raid by American planes before the Japanese surrender. The whole scene was rather a pitiful one.

The explosion took place at an oxygen plant of the Chinese Air Force and it was the third one in the same plant during the past two months. It was estimated that more than 20 persons were

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killed in the second explosion. How many got killed this time, nobody yet knows.

The officers in charge of the plant do not seem to realize that they had caused a lot of scare to the neighborhood, especially to the women and children. It is obvious that they have not even taken any precautions against such dangerous explosions or that the officers are simply incompetent. At a time when a citywide "winter safety campaign" is being launched, something must be done to prevent repetition of similar explosions, especially in that CAF oxygen plant, which had already claimed more than 20 lives.

C. T. HU

Hankow,
December 24, 1946.

Hsuan's Resignation

To The Editor:

Lt.-General Hsuan Ti-wu, one of the few self-denying military men in present-day China, is said to be contemplating resigning his concurrent post as the SMG's Commissioner of Police. The news is encouraging and every right-thinking citizen of Shanghai should urge the Executive Yuan to accept his resignation as soon as it is tendered.

It is recalled that General Hsuan committed a serious blunder when on July 16, 1946, as the Woosung-Shanghai Garrison Commander, he ordered himself, as the SMG's police chief, to suspend the *Wen Hui Pao* for seven days because the paper's editor-in-chief flatly refused to comply with his instructions that the original copies of two "Letters to the Editor" criticizing the police be produced.

The blunder, as many a local paper pointed out, lies in the fact that, instead of laying the case before the Shanghai District Court, General Hsuan took the law into his own hands and, incidentally, put Mayor Wu, from whom *alone* the Municipal Police were supposed to take orders, in an awkward position, one from which there appeared no getting out at all. In short, the blunder was due to that most undesirable thing which for want of a better term I would call "dual personality."

Fair-minded newspapermen all agree that the Garrison Headquarters Commander, an upright and strightforward soldier who leads a very regular life, is open to no criticism as far as integrity is concerned, but that, able and earnest as he is, his burden would still be too heavy even if he could project himself into two separate beings. If therefore the General now feels tired of the extra responsibilities thrust upon him by his concurrent post in the police force and intends to devote all of his time to garrison duties, there is no reason why he should not get his wish.

In the world of today, no one man should be required to do two men's work. Otherwise, it would be not only unfair but in the long run conducive to irresponsibility, as is clearly shown in the above-mentioned *Wen Hui Pao* case. General Hsuan perhaps has more thought given him at a time when Shanghai's well-being is being threatened to a greater extent than it ever has been, than at any other time of the year. This is all the more reason why his resignation would be justified.

If, as is generally hoped, General Hsuan's resignation from the post in the police force is accepted, there is every reason to expect the appointment of a *civilian* to succeed him. His successor must be subject to the jurisdiction of the Court so that there may be no occasion for him to become irresponsible. It is also to be hoped that in his capacity of Garrison Commander General Hsuan will refrain from issuing orders to the Municipal Police and that police cooperation with the Garrison Headquarters

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Considering the curious fact that all over China the police simply have to take orders from the local Garrison Headquarters, the hope may sound academic that General Hsuan's organization will prove an exception. But I think Shanghai will do well to set an example to Chungking, Hankow, Peiping, Tientsin, Canton, etc. that the military are not almighty, that the military should confine themselves to military affairs instead of encroaching upon both the police and the courts. This "example" is all the more imperative owing to Shanghai's importance when Nanking is daily telling the world that in the immediate future there will be a constitutional China—a thing never heard of in the long history of the "Middle Kingdom."

A RIGHT-THINKING CITIZEN
OF SHANGHAI

Shanghai,
January 14, 1947.

Trouble Again

To The Editor:

Due to undue delay caused by my district postoffice employees through lack of adequate knowledge of the English language and to insure prompt delivery in the future, I have in my last letter asked your favor to add to the label on the wrapper the Chinese equivalent of my address.

I regret to inform you that in spite of all your efforts I have found that my copy of the December 21 issue of the Review has again gone astray. I must say I am now seemingly walking in Queer Street, hopelessly searching for an explanation!

In view of increasing obstructions at the post office and elsewhere may I trouble you again to write a letter to my district postoffice, urging them to pay special attention to my mail each week, so that I shall be able to get my copies regularly in the future.

FULL CHOW

Changshu, Kiangsu,
December 26, 1946.

Kunming Protests

To The Editor:

We, citizens of Kunming, wrathfully protest against the alleged brutal violation of a Chinese girl student by an American Marine on the holy Christmas Eve.

We are told the United States of America is a civilized nation and her people are well educated, but with all her civilization and education she cannot keep her soldiers from committing such a brutal act against a weak Chinese girl in Peiping. We cannot but think that her civilization and culture are something fundamentally different from ours. Does it really mean that her civilization equals outrages, rape or something like that? Is the violation of a college girl what they call the "white man's burden?" If not what would they say to such shameful conduct?

We are often touched when we read the Bible as propagated by missionaries of American and other nationalities. Unfortunately, we have found the type of biblical hypocrites or Pharisees of our times in the Americans, especially the American Government that shapes the present foreign policy toward China. They have come to China in sheep's skin with the alleged purpose of peace and stability, but inwardly they are ravenous wolves with their eyes only on the monopoly of the market in our country. We know them by their fruit. How can we gather grapes of thorns or figs of thistles?

We know they have come to China to maintain a government that will finally serve as a stooge; the Chinese Government will do anything for them, tolerate everything they have done so long as they can give it money and munitions. But such a government does not stand for the people; we even do not regard the group of corrupt officials as our "government" any more. The American policy towards China in the past year has far from benefitted the Chinese people.

We, citizens of Kunming, hereby warn the U.S. Government that as its foreign policy toward this country in the past year has proved to be of little benefit to this country and its people, it had better change its policy at once. It should keep out of our civil war, at least.

Right now we ask, with our customary courtesy, that it withdraw its troops from China, otherwise, what with a series of misconducts and the like during the past year, we might have used the word "banish" instead.

We hope this protest will reach the U.S. Government and, more important, the common people of the United States. They will then know what their troops have been doing here.

CITIZENS OF KUNMING

Kunming,
January 9, 1947.

N.A. Evaluated

To The Editor:

Recently the National Assembly was concluded with the Government and all parties except the Communists and Democratic League. How can we help wondering whether it is of real service to the common people of China? We are convinced that with two big parties out of the conference lots of valuable views which might be instrumental in steering the ship of state through trying difficulties are lost. Why so? As a rule, every party has its own principles and methods of serving the public. It follows that where there is a good party there is a useful factor. In China we still do not know which party deserves to be thought of as good; therefore it would be a good thing for all parties to meet under one roof and pool their efforts to bridge political and military gaps, thus securing rapid improvement.

But things are not like that now. Instead of Victory we see saber-rattling Mars. Instead of enjoying a constitutional government we see one party engaged in hostilities with another. That it why the present National Assembly can never merit our fullest respect.

But we love China which was founded by our ancestors several thousand years ago and has continued as a nation through modern times. The sons and daughters of heroes ought to let pass hardly a day without thinking about her. They should make her grow stronger year by year. Fie upon them if they fight with each other out of love for fame and gain. To be frank, China today is like a person covered with gashes and wounds and is beginning to grow thinner. If for this reason and no other she dies, with what face can we Chinese live on earth? Mr. Editor, is it right?

From what we have said above we see two important tasks to be accomplished. First, we propose that the civil war be stopped at once. Second, all parties of China should not have beauty without and foulness within, using intrigue as sole source of power. They should run a political race rather than a military one. Thus we may get a real constitution of our own. For the good of the country it is high time the parties did penance and cooperated with each other. Soon it may be too late.

C. F.

Changshu, Kiangsu,
December 29, 1946.

Credit To Mr. Chen

To The Editor:

The Review of January 11, 1947 carries an editorial on pages 164-165 entitled "Copyrights and Trade Marks" pleading for protection in China against pirates and imitators of other men's business successes and ideas.

In the same issue on page 178, there is a short item, "Government Ownership in Industry Up," there appears to be just a re-write of a paragraph from "Monopoly and Civil War in China" by Chen Han-seng, *Far Eastern Survey*, October 9, 1946, page 307. Yet the item has absolutely no reference to the source; it gives no credit to the original writer in any degree.

I believe you will agree that honest and responsible journalism is no different from honest business in this respect—give credit where it is due. For otherwise, — to adapt a sentence from your own editorial—a man's ideas, inventions and products in China will always be at the mercy of imitators. We look to *The Review* for leadership in the right direction.

T. H.

Shanghai,
January 11, 1947.

New Currency

To The Editor:

Referring to your editoral "What's In A Name" in your Dec. 28 issue will you be so kind to publish the following:

Banknotes (paper-money) have no immanent (real) value. But banknotes have value, so far as they represent a fixed amount of gold. In normal times it is understood, that the banknotes can be exchanged at any time for a fixed amount of gold. This fact is the basis of confidence in the banknotes. Further, it is understood, that the budget of the states issuing the banknotes must be active. The state can not spend year after year more than its income. There must be a sound foreign trade balance. Otherwise gold prices (and commodity prices in general) would be rising all the time, there would be no stability, just as it is the case nowadays. And people would lose confidence in the banknotes, because they see, that they buy every day less gold, US$, or any other commodity.

Now, the question arises: why is that so? The reason is, that our government wages a costly civil war, the budget is passive, economic crisis looms, factories are closing, unemployment growing, the country is importing more than selling, disrupted communications, corruption of government officials, graft everywhere etc. Under these circumstances, the Government is forced to print every day hundred of millions of paper-money to cover its ever growing expenses. In other words: the Government is buying every day real goods and paying services and wages in papermoney, which is representing less and less value. This is inflation. Therefore the prices must go up, it can not be otherwise. Speculation, hoarding, loss of confidence are only the consequences of this situation and not the reason of it.

Of course the Government is forced to try to check this process of accelerating inflation by selling through the Bank of China now and again an the black market a couple of thousand of gold bars to stabilize prices for a short time, at least. These gold bars the Government has bought from Mexico via Hongkong at a time, when the local gold prices were about 50% higher than in Mexico. But in spite of this, now and then the Government is forced to raise the official exchange rate of the US$. This, of course, means good business for those who are in the Government or for the "inside hands" who know how and when things are handled.

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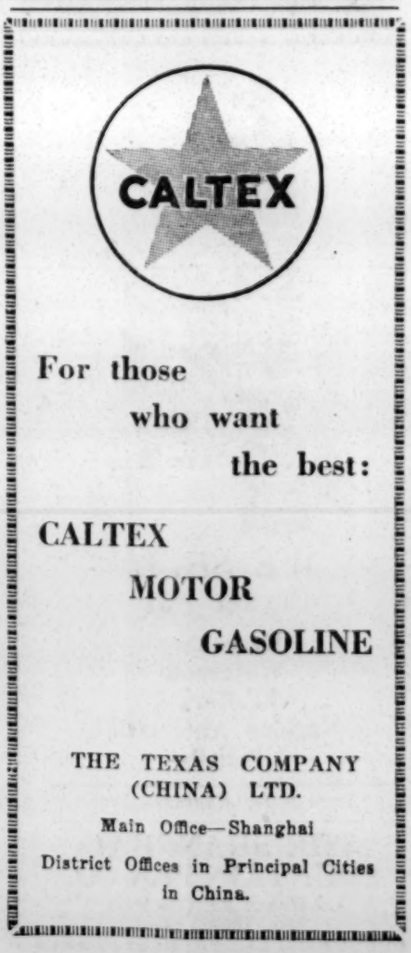

But the Government try as hard as it can, it is in the nature of things, that prices have the tendency to rise quicker and quicker and in consequence the Government is forced to print more and more paper-money; this again pushes the prices us and so it is an endless process. The control is getting always harder and harder. You can sell a couple of thousand of gold bars once, twice, but not always. The gold prices here and everywhere else are now fairly equal. The trick can not be done again. Besides, people, though they have a short memory, still remember the story with the CRB, and now everybody sees that the CNC is going the same way. Everybody is afraid. Last time, when the government suddenly fixed the official rate of US$ over the existing black-market rate, hundreds of merchants were ruined. Now everybody got wiser, nobody is calculating in CNC, and nobody is staying even overnight with a large amount of CNC.

Now about the new SUN currency. On one side it is pointed out, that as long as the civil war is not ended and a truly democratic coalition Government with the Communists is not formed, no new currency will help, and it will be the old story again. This would be the Rooseveltian way of settling the Chinese question. But there is another way too. The KMT right-wing's way, which is supported by American reaction. The KMT right wing's opinion is, that the main task now is to win time, a year at least. During this time, they hope with continued American military and financial help to crush the Communists. Then, buying off or frightening some pseudo-democratic party-leaders, they would "reorganize" the Government which would remain the same old KMT-Government with a democratic facade. They are sure, that American reaction, having the majority now in the Congress and the Senate, would support them, as they are out to liquidate the Rooseveltian political heritage—in home policy and in foreign policy, as well.

In the light of this situation, the dominating KMT right-wing considers the problem of a new currency first of all as an actual political measure, which might give them much needed respite to win the war. They, of course, also know very well, that only with peace restored can a new currency be stabilized with big American loans. But on the other hand they calculate, that a new currency accompanied with clever propaganda would create new illusions, lasting long enough, to realize their aim. Time will show, whether their calculation is right.

A. P. WONG.

Shanghai,
January 5, 1947.

Not KMT Mouthpiece

To The Editor:

After reading Mr. Lee Kwang-heng's letter entitled "Inpartial or Partial?" which appeared in the January 11 issue of *The Review*, I also can't help saying a few words.

Because you have been criticizing the KMT, Mr. Lee pointed out that if you continue to do so, he too will believe the gossip that your paper is "a paid underling of Yenan."

I am quite sympathetic with Mr. Lee, because in China there are far too many more newspapers and political magazines published or subsidized by the KMT than owned by private individuals. So it is easy to see why Mr. Lee and some others suspect that your paper is paid to criticize the KMT.

Like Mr. Lee, I am neither a member of the KMT nor CP. One thing I must point out is that the present government is not a government by the people, of the people or for the people, but a govern-

ment by the KMT, of the KMT and for the KMT, and also the families and relatives of the party's members.

There are many school-age children kept away from schools because of the shortage of schools and because they are too poor to pay their way. However, some big shot's daughters flew freely to the United States for "further studies" recently.

Why do they have the privilege?

L. H. CHENG

Shanghai,
January 13, 1947.

Season's Bouquet

To The Editor:

I have to greet you heartily for your eye-opening editorials published in your December 14 and 21 issues, namely, "Let's Retire MacArthur." "General Marshall's Future," "Divide and Rule Again" and "Neutrality, U.S. Style." They have thoroughly evidenced your sound judgment and your unsurpassed courage in exposing the missing ingredient of genuine democracy, regardless whether it has happened in America, England, China or USSR, thus having challenged every nation on earth to revamp its democratic setup and to make UNO "pure gold" instead of a subtly manufactured tinsel.

I am also the more convinced now that the cost of suppression is always and invariably higher than the price of liberty and that "Nobody can deceive all the people all of the time" and that "Tide and time wait for no man." Further if there is another international conflagration, mankind will not tolerate and cannot endure it.

With my best wishes for your Weekly. You have guaranteed support from the saner portions of mankind because right needs defenders and because human conscience is trainable. My season's greetings.

S. Y. LIVINGSTON HU

Chungking,
December 26, 1946.

Summer Uniforms

To The Editor:

Before the inauguration of the National Assembly in Nanking on November 15, there was a clash between the Communists and members of the 14th Communication Police Brigade along the Changchun-Mukden Railway in the Northeast. This was told me by my brother, a lieutenant colonel responsible for the safety of trains between the two points.

Shortly following their announcement of non-participation in the Nanking assembly, the Communists organized more than 10,000 men into special railway destruction groups which moved to the south of Sungari River under the cover of night. As soon as they were across the river they feverishly prowled along the railway, looking for a suitable place to strike.

On the evening of November 13, they met at the Yang Mu Ling Bridge, near Szepingkai, where a bloody fight broke out. The first 14th Communication Police Brigade outpost was manned by five men with two tommyguns and a lot of hand grenades. All of a sudden the outpost was the target of concentrated fire from the Communist destruction groups. Two police officers were killed and one wounded, but desperately the other two held on until, finally, reinforcements were sent to their rescue, and the bridge was saved.

The Communists retreated as soon as dawn came. The battle was over. Not a single Red was captured, and even their dead and wounded were taken along with them in their retreat. The little damage done to the bridge was soon repaired and

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traffic was resumed on November 15.

It is plain that the Communication Police, particularly the 14th Brigade, had fought and successfully repulsed many similar Communist attacks, but it must be pointed out that they have been very badly treated by the Central Government. In spite of the fierce, penetrating winds and snows that characterize the extremely cold winter of the Northeast, members of the 14th Brigade were at the time my brother wrote me still clad in thin summer uniforms. They have no woolen shirts, to say nothing of fur coats against the inclement weather. Needless to say, these men are (I vainly hope, were) in a desperate predicament.

YAO CHENG

Kunming,
December 23, 1946.

4 Conclusions

To The Editor:

Below are four conclusions I have drawn from the state of affairs in China:

(1) Any criticism of the government means an attack on the one-party rule, which in turn means anti-government and/or anti-American (and therefore "undesirable") sentiment, which again equals reactionary, and the last equation is that all reactionary elements must be either pro-Communist or even pro-Soviet.

(2) China seems to be a globe made up of two hemispheres—KMT on the one side and CP on the other, thus discarding all plain citizens or common folks, not to say third parties or non-partisans. So, if you are not pro-Kuomintang, you must be pro-Communist. And you can prove yourself anti-Communist only by being pro-Kuomintang or at least not anti-Kuomintang.

(3) Freedom of speech in China means that you are free in speaking *only* in favor of the government under which you are living—whether it be Kuomintang or Communist, as the case may be.

(4) Genuine followers of Dr. Sun Yat-sen do not necessarily fall into the group under the banner of "Blue-Sky-and White-Sun," whereas 100 percent Kuomintang members may not be devoted "comrades" of the late Chinese Washington.

A JUKAONIAN

Shanghai,
January 16, 1947.

A Friend

To The Editor:

I have read with mixed feelings D.C.'s letter in which he stated that high postal charges and increased cost of production of the *Review* have made it difficult for him to renew his subscription. I think it is better to blame it on the warmongers, who would probably starve if there were no fighting.

On the other hand, I know how D. C. feels about saying goodbye to such a close and true companion like the *Review*, for not long ago when I was in difficulties I was about to be deprived of the joy of reading one of the few journals which never fails to paint a true and honest picture of present-day China. One of my friends lent me the money for a six-month subscription, saying that I could do the same later for somebody else.

Now that I have got a job I feel obliged to do the same for a fellow reader whom I have always regarded as one of my friends. I herewith enclose a postal order to renew his subscription for three months, and I hope D.C. will not mind. Please inform him accordingly, and tell him to forget who I am. Let me be simply a fellow reader and

A FRIEND

Shanghai,
January 12, 1947.

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THE CHINA WEEKLY REVIEW
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The Kuomintang's Future

WITH the adoption of the constitution several problems regarding the future of the Kuomintang have arisen. Chief among them is the question of how the party is to be financed. Since the revolution was engineered and brought to a successful conclusion by the KMT, the party assumed the role of tutor to the masses and as such became in fact inseparable from and almost inextricably interwoven with the National Government.

It now appears that at long last the period of tutelage is about over and the day will soon arrive when the people will get a look at the books. Obviously the KMT cannot continue drawing upon the national treasury. It, like the third parties, will have to finance itself. This, of course, will mean a painful disentanglement from the public till. From then on the KMT will have to stand on its own feet and can only retain its number one position by proving its worth in equal competition with the other political groups.

This possibility, naturally, was apparent from the moment the question of a National Assembly and a constitution came up and undoubtedly accounted for a large part of the opposition shown by conservative Kuomintang members during the Assembly meetings.

A recent indication of the strong feeling upon this point was evidenced in Nanking a short time ago when Kuomintang Minister of Organization Chen Li-fu told correspondents that the KMT would continue to draw upon the national treasury during 1947—the last year of Kuomintang rule and the year during which the KMT has promised to implement the constitution which is scheduled to go into effect upon Christmas Day this year.

Since such a plan obviously is not in accord with the spirit of the constitution and inasmuch as the two minor parties scheduled to participate in the new government do not view with favor continued Kuomintang feeding at the public trough, Chen Li-fu's plan for this year may not be realized. One minor party spokesman told us in Nanking recently that his party would not agree to such a procedure, while another said that if the KMT lived off the Government for another year, his party would expect to do so too. In addition, independents who are supposed to be included in the reorganization, which is scheduled to start next month, cannot be expected to agree.

When queried about Chen's statement, Information Minister Peng Hsueh-pei told a press conference that the 1947 budget did not anticipate any expenditure for the Kuomintang. Minister Peng said that the whole question of Government support for the KMT during the next year was largely a legal one and a very involved one. Technically, he said, the period of tutelage has not ended and will not end until the constitution goes into effect next Christmas. On the other hand, however, he expressed the view that the reorganization, which will come during the current year, would in practical effect end the Kuomintang monopoly of the Government. Thus, he said, the whole question was one of interpretation. However, he reiterated that there was no provision in this year's national budget for the Kuomintang.

While the bickering about the financial status of the Kuomintang as regards the national treasury during the current year is not vitally important since it has been clearly stated that the KMT will be completely out when the constitution goes into effect, it is worth noting only because the great efforts to hang on to the public purse for another year are indicative of the reasoning and thinking of the reactionary right wing of the party.

The long-term financial future of the Party, stripped of its connection with the national treasury, makes an interesting subject for speculation. Generally speaking, parties are financed in one of two ways. In pre-war Germany and Italy and in present-day Russia the ruling party is so closely tied to the government that its funds and the government's are indistinguishable. In the Western democracies the parties are supported by voluntary contributions of individual members. Of course the party in power is supported by the government to the extent that many of its prominent members receive government positions. However, they do not hold them concurrently with private jobs and they perform their duties as servants of the taxpayers, earning their salaries, which are usually less than they could obtain in private life.

What will happen in China remains to be seen, but it is hard to visualize the Kuomintang, or the Communist Party, being supported by voluntary subscriptions from members. The system now followed seems to be the reverse, with the two parties supporting their members, either handsomely or poorly, depending upon the individual's value. With China eventually unified and the two main parties cut off from public funds, it will be interesting to see just how well their respective members, who have lived off them for decades, fill the empty hands that used to feed them.

One solution to the problem, as far as the Kuomintang is concerned, may be found in the

increasing numbers of party members of some distinction going into business. Many giant trading hongs, manufacturing, transportation and industrial combines have been set up—on paper at least—by business groups who include among their directors and important officers high Kuomintang officials. If enough of the faithful can establish themselves well enough financially now, they might be counted upon to give the party support later. This is especially true if they are now able to solicit some favors for their business associates while still connected with the party and/or government.

One other solution would be for the Kuomintang to go into business as an organization. In addition to making money for the party coffers, the enterprises themselves would provide employment for the many faithful members who may lose their jobs in the Government reorganization. Some indication that this is what may happen has already been given by statements that certain sections which the party now supports are expected to get themselves on a paying basis by the time the reorganization comes. Thus, the many newspapers and other publications which the party now owns outright or partially, and of which most are subsidized, might be made to show a profit if cleaned up and run in a better fashion. The newspapers, for instance, might be made profitable enough to support the party's Ministry of Information.

In any event it will be interesting to watch the future of China's main political parties. When and if the day arrives that the Kuomintang and the Communists are deprived of their special connections with the two governments and are disarmed, we may witness some startling changes in party platforms and activities.

Round Up

Sun Fo Wants Round Table Conference of All Parties.—*Headline.*

Without the sharp edges, presumably?

The Cost Of Civil War

IT is indeed difficult to arrive at a definite figure when speculating upon the cost to China of her civil war, but it is easy to see that it is far more than she can afford and that whatever the outcome the cost will be a permanent millstone around the neck of future generations.

One of the larger figures which can be picked at random is the CNC$3,810,000,000,000 which the Central Government has earmarked for military expenditures this year. The monetary expense to the Nationalists alone will be about half of this year's budget, and more than half of this year's income. The loss in life and property is incalculable, as is also the forever lost useful production of the nearly 5,000,000 men the Central Government has under arms. We do not have figures for the Communists, but it can be assumed that their efforts in the war will be no less strenuous than the Kuomintang's, although their expenditures undoubtedly will be somewhat less because they have less, both in money and personnel.

A BRITISH VIEW OF U.S. FOOD POLICY

AMERICA WILL NOT SUPPORT WORLD FOOD BOARD
LIFTS PRICE CONTROLS
WORLD HUNGER
WALL ST.
FOOD FOR THOSE WHO MAY OVER PAY AND SAME AMOUNT FOR OUR PRICES
U.S.A.

—Zec in The London Daily Mirror

It has often been said that if the combined World War II expenses of the Axis powers and the United Nations had been directed toward peaceful production, the world could have been made over and that today we might be a half century ahead of ourselves, instead of being a great deal poorer than we were a few years ago. The same could be said for China. Imagine what could be done with the money and men the Nationalists alone are pouring into the war. Five million men could quickly solve the country's transportation and other communications problems, while CNC$3,810,000,000,000 could go a long way toward providing universal education. The projects that could be undertaken to improve the livelihood of the people are endless.

One of the things that China is losing for the time being at least, and possibly for good is monetary and material aid from abroad. While the United States has said that China may have the US$500,000,000 reconstruction loan when the civil war is ended, and so China loses principally only time in this instance, there are other types of aid which she may lose forever. Recent reports from the Philippines indicate that the stage is being set there for the investment of private foreign capital. Likewise, reports from Indonesia tell of offers by various foreign groups to rebuild and modernize the country.

Not only will the rest of Asia swallow the private foreign capital so that it may be years before there is much available for China, but the other nations of the East will get a head start in their modernization with both foreign and private funds and other aid.

The longer the civil war lasts, the more certain are China's prospects for retaining her unenvied position as the country in Asia with the lowest living standards and the greatest *undeveloped* wealth, in addition to being the easiest prey for her neighbors.

Try Me!

Ready For Punishment If Irregularities Found, Say, Bureau Of Supplies Chief.—*Headline in local paper.*

Folks usually are that way....when found out.

"The Review Said....."

FOR some time we have noted with increasing irritation the casual manner in which our friends the Russians have been quoting the *Review*, attributing to us things we never said, quoting portions of statements made by us, and so on.

In one instance last spring, the Moscow paper *Trud* picked up a few quotes from a dispatch written by a correspondent of ours in Manchuria and out of them built a whole story which differed considerably from the version we published.

Later, Moscow Radio quoted a paragraph from a "letter to the editor," which attacked American policy in China, prefacing it with, "*The China Weekly Review*, an authoritative Shanghai magazine, charged this week."

At times we have been referred to as an "American magazine," a "Chinese magazine," a "Shanghai magazine," etc. We're getting a little tired of this and would like to advise our Russian friends to be more careful in the future. Anything we actually say we are perfectly willing to stand by. However, the editor is not willing to be held accountable for views expressed in letters to the editor, in articles by contributing editors or in articles or editorials which he himself has qualified.

In our attempts to edit an independent magazine expressing the opinions of others as well as our own, we naturally come in for considerable criticism from the stupid minded who can see only one side of a picture. Some time ago an American newspaper woman, who, incidentally, has sold her journalistic abilities to a business firm and who now writes what her boss tells her, walked up to us at a cocktail party and, after a few moments of conversation, said, "Oh, so you are a communist, too." This conclusion she reached when we failed to agree with her that the civil war was necessary because "all communists must be wiped out."

Another common charge leveled against us is that "we run with the hare and hunt with the hounds." This charge, likewise, comes only from among the stupid animals who have not learned to think for themselves but who blindly follow the leaders of the right or the left.

With all this we are willing to put up. We don't claim any superhuman abilities and will not complain if our critics wish to pick our work apart week after week. We frankly don't give a hoot what the party-liners on both sides of the fence say about us as long as they stick somewhere near the truth. What we object to is obvious prevarication.

The latest example of our being "misquoted" occured this week when Moscow Radio, according to the *Associated Press*, said that we stated that a "number of high officers of the former Japanese Army were working under Chinese names in the Chinese Ministry of National Defense," etc. The story, as carried by *AP*, was a cleverly written piece which attributed several statements to us without actually saying that we said them specifically.

The *AP* dispatch said:

"Moscow Radio, quoting 'well informed circles,' including the *China Weekly Review*, said today that a number of high officers of the former Japanese Army were working under Chinese names in the ~~Chinese~~ Ministry of National Defense.

" 'According to rumors, in the near future another 100 Japanese officers are coming from Japan to assist in the training of Kuomintang troops.

" 'This is being done with the knowledge of the American occupation authorities in Japan,' the broadcast added."

If the foregoing dispatch is read carefully, it will easily be seen that the *Review* is not quoted directly at all. "Well-informed circles," *including the China Weekly Review* are quoted. Is it possible that all these "well-informed circles" said the same thing? Isn't it more likely that some not-so-well-informed source said it? The latter two paragraphs are not even identified as coming from the *Review*, but the implication is that they do!

We realize, of course, that articles, translated from English into Russian and back into English again by different persons and passed over various copy desks may become somewhat altered. We also realize that cable and mail services are not what they should be and that articles written weeks or months ago may take on a different meaning if resurrected today. Allowing for such matters, we still are not very happy about the "credit" currently being given us by our journalistic colleagues in Moscow.

Just for the record, we think we know where the current story originated. In the December 31, 1946, issue of Monthly Report there was a rumor—definitely labeled as a rumor—that Japanese civilians and military men were currently employed by Yen Hsi-shan, warlord-governor of Shansi. Monthly Report, a newsletter of restricted circulation, has no connection with the *China Weekly Review* other than that it is published by the Millard Publishing Company, the publishers of the *Review*.

We all make mistakes and it is more than likely that we will continue to do so. However, we would enjoin our journalistic friends, both of the right and left, to exercise more caution, as well as some fairness, in attributing statements to us.

Harvest

China's Harvest Said Enough To Fill Bowls.—*News item.*

Inasmuch as there's many a slip t'wixt the bowl and the lip, it is still doubtful whether the harvest will figure in the filling of the stomach.

Another Reporter Arrested

IN an exclusive story, the *Hsin Min Wan Pao* recently reported the alleged arrest and long detention of a reporter whose name was given as Ting Wen-chih, who, the paper said, was Taiwan correspondent for the *Ho Ping Jih Pao*.

According to the so far unconfirmed report, Ting was arrested when he applied for press credentials which would enable him to cross the

police cordons during Generalissimo Chiang Kai-shek's visit to Taiwan. Apparently the authorities concerned were displeased over Ting's previous coverage of affairs in that unhappy isle.

In any event, Ting, according to the *Hsin Min Wan Pao*, was held upon one pretext or another for 49 days before being released. Prior to being freed, the report says, he was cautioned against revealing what happened to him.

This story, published on December 30, has, to our knowledge brought no comment from either the public or from official circles. As usual in such cases, it is extremely difficult to check. Inquiries about Shanghai have brought little additional information, except that the *Hsin Min Wan Pao* says it is absolutely certain the story is authentic.

While we are unable to pass judgment, especially since our latest information from Taiwan is that despite the wide gulf between the government and the people, the latter are relatively free to speak their minds without fear of physical punishment, the important thing is that more than two weeks could elapse after publication of such a story without the slightest ripple being caused.

What has happened to the editors of the *Hsin Min Wan Pao*? Is it possible that they think they have done their duty by publishing one such story and then forgetting the whole thing? Or is it possible that they published the story without confirming it and now, having developed cold feet, are trying to forget it? How about the editors of the *Ho Ping Jih Pao* (Peace Daily), the Chinese Army organ for which Ting is alleged to have worked? It is inconceivable to us that any editor would let a reporter languish in jail for 49 days without doing something *and* writing something.

Also, what has happened to the Taiwan officials? Is it possible that they propose to take the whole matter lying down? A few months ago when the *Review* published a couple of articles criticizing the island's administration, the officials were quick enough to defend themselves, writing a long reply (which we duly published) denying the charges against them.

It seems to us that the essential point in this case is that it not be left in its present inconclusive state. Since the *Hsin Min Wan Pao* began this, it is its duty to print sufficient "follow-up" stories to arouse the rest of the press, the public and officialdom. Further, if Shanghai's other papers were at all alert, they would never have allowed so much time to elapse after such a story appeared without undertaking independent investigations.

It would appear that the press, the public and officialdom are too busy with their other affairs to pay any attention to such a story. Such an attitude is most discouraging and makes one wonder if the people, their guardians (the press) and their leaders (the officials) realize that under the new constitution the Chinese people have secured the basic human freedoms. One further wonders if they will lose these freedoms before they have learned how to protect them.

Still Waiting

CNRRA Puts Weight On Work Relief.—*News item Jan. 13.*

CNRRA-UNRRA Work In China To Shift Weight On Rehabilitation.—*News item, Jan. 13.*

CNRRA Relief Recipients Put On Weight.—*Headline we would like to see, preferably this year.*

* * *

A Reparations Answer

H. V. Wade in the Detroit News.

If Italy has nothing collectible, the sole solution seems to be a Dawes or Young plan, whereby the loser gladly pays reparations to anyone who will advance him the dough.

* * *

Robbers Without Guns

From the St. Louis Post-Dispatch

FBI Chief J. Edgar Hoover says the nation is facing a potential crime army of 6,000,000. And that doesn't even include the severe outbreak of holdups that has followed the demise of the OPA.

25 Years Ago In Millard's Review Of The Far East

January 21, 1922.

Trouble In North

North China is again in an agitation of political dissension. The Liang Cabinet has incurred the enmity of Wu Pei-fu, military ruler of the Central Yangtze region, and his cause apparently is being supported by the Yangtze Valley Tuchuns. Wu has issued several ultimatums demanding the resignation of the Liang Cabinet and a reorganization of the Peking Government. Confirmed reports have arrived from Canton that Wu had his representatives in consultation with Chen Chiung-ming even before the Chin Cabinet was deposed.

* * *

Industry In China

The cotton industry did well in China during the past year. Oil mills, however, were hardly able to make ends meet. The flour industry, which started the year excellently, had to abandon activities owing to lamentably short crops of wheat....Exports of flour, the bulk of which was sent to other Chinese ports, totalled 4,000,000 bags in the first nine months of 1921 as compared with 16,350,000 bags in 1920; 11,500,000 in 1919; 10,250,000 in 1918 and 7,700,000 in 1917.

10 Years Ago in The China Weekly Review

January 16, 1937.

Crisis At Hongkong

The adoption and enforcement of the National Government's drastic anti-drug regulations in the southern provinces of Kwangtung, Kwangsi and Kweichow have precipitated a serious crisis in the British Colony of Hongkong, where opium is still sold through an official government monopoly bureau.... There are approximately 50,000 opium addicts among the slightly less than 1,000,000 Chinese residents of Hongkong and outlying colonial territories consisting of some 390 square miles.

* * *

Peace Hopes Dim

Hopes for a peaceful solution of the problems which followed the Sian coup are dimming as reports from Sian indicate that the defiant military leaders in Shensi and Kansu have allowed the dominance of the political administration in these provinces of communist politicians from the headquarters of Chu Teh and Mao Tse-tung, leaders of the "Red Army" and the "Chinese Soviet Republic."....According to reports received at Nanking, a number of Communist leaders, including Mao Tse-tung and Chou En-lai, are now in Sian, organizing mass meetings and spreading Red propaganda among the populace.

Imperialism Vs. Nationalism In Formosa

By JOSHUA W. K. LIAO (廖文毅)

IN AREA and population one of the smallest provinces of China though she is, Formosa in natural resources and industrial equipment, in manpower and working efficiency, forms the largest the nation has ever had. Early last spring, when the Central Bank, the Bank of China, the Bank of Communications, and the Farmers' Bank sent men there to establish branches with a view to nationalizing the Formosans financially, these unlucky envoys were mercilessly spurned by the ruling caste under Governor-General Chen Yi, which in its turn has imperialized itself by proclaiming the province a specified area and by declaring its powers, political and military, judicial and financial, its own *in toto*. Hence has followed the case of factional imperialism against nation-wide nationalism.

In the beginning of December, 1945, when interviewed by newspaper men in Shanghai upon his first return from Formosa, Secretary-General Ko Ching-en emphatically asserted that as the Formosans had been enslaved by the Japanese for 50 years and deprived of every chance to participate in politics, they must wait a number of years before they could be entrusted with administrative responsibilities.

Towards the end of August, 1946, when some of the 26 foreign correspondents asked General Chen Yi why of the first-class incumbents none was a Formosan native, the aged Governor frankly replied, "Because they are far less well-qualified."

Formosans Antagonized

So long as the self-assuming liberators disqualify everyone who happens to have been born in this beautiful island—the very island Koxinga and his followers had intended to be the Sardinia of the already fallen Ming Dynasty three centuries ago—really qualified Formosans will refuse to cooperate with them any more than the Irish with the British.

Meanwhile, the *Washington Post* on March 29 said that the Chinese in Formosa were "behaving exactly as they accuse the Russians, no doubt justly, of having behaved in Manchuria'" for they had "instituted a regime of terror, wholesale looting and even downright highway robbery." It hoped that Generalissimo Chiang Kai-shek, "who has sent a delegation of riff-raff among his officialdom to these important duties, will take steps to clean up the Formosan situation."

From the end of August, 1945 up to my first return in nine years at the end of September, 1946, I read almost every day unfavorable reports in Shanghai papers about the new arrivals, both official and civilian, as well as about their unpleasant relations with the Formosan natives. So also did I hear, almost every day, from my native folks similar sad stories.

Formosa—restored to China—instead of enjoying liberty, equality and fraternity as the people of Alsace-Lorraine have done, rights which the Kuomintang Bible upholds, instead is suffering oppression, discrimination and exploitation, they affirmed. I was greatly puzzled; for I had for two decades enjoyed pleasant contact with the mainlanders, whether students in school or colleagues in society, and found them extremely benign and sociable, magnanimous and chivalrous. So much so that I became intensely anxious to see everything and hear every word I could during my two full months' tour and stay in this newly restored maritime possession of China.

Imperialism Reappears

Ironically enough, just when the Chinese have eradicated the last vestige of foreign imperialism from their own soil, their liberators of Formosa have gone imperialist, worst of all towards a people of their own race and culture! Under the newly instituted "unequal treaties," the ruling caste seems to grant its own kinsmen and henchmen "extraterritorial rights" by exercising "consular jurisdiction." Any incumbent from the mainland when under suspicion of criminal offense or subject to court investigation must be shielded, while any native, if too obstrusive, will be nipped in the bud. Yet how to keep up the prestige and dignity of a privileged class?

Ever since the retrocession new arrivals have often bought without paying, assuming the air of conquerors which always provokes the natives. By tradition the Formosans are far less willing to oil incumbents' hands than the mainlanders. When the Formosan procurator of the Chiayi Local Court indicted the head of the Chiayi Bureau of Monopolies, a man named Chou Pi-chang, on a charge of graft, with sufficient evidence last spring, the local ruling authorities interfered for face's sake; but the Formosan Justice challenged them to cut off his own head rather than twist the law of the state. Suddenly the Taipeh High Court demanded Chou's extradition for "purposes of re-examination." What happened to the culprit later, nobody knows.

Yet, owing to such ways of thinking and courses of action, the Formosans have been dubbed "narrow-minded" (*liang siao*)!

Both Bureaus of Monopolies and of Trades have been so devised as to increase governmental revenue in order to lessen the people's burden—in name. But in effect they have served only to facilitate the officials' graft and to chastise private manufacturers and businessmen. As a result of Liu Wen-tao's recent drastic purge, both bureaus had their inner layers exposed and their heads accused of embezzlement. What happened subsequently to these two, both being so dear and near to the Governor, nobody knows. During the Generalissimo's visit no chance was given the people either to petition re-emancipation or to appeal for justice. Otherwise, only God knows what would have happened.

Through the Custom Houses somehow or other, Shanghai and foreign cigarettes and numerous commodities of mysterious origin seem to have worked their way in despite the monopoly law and have appeared in the stalls on the sidewalks in Taipeh and other cities, as in Shanghai. I still feel sad, however, whenever I recall the scenes in which uniformed men, condemning such cigarettes as illicit, snatched all the packages away from children peddlers whose poor parents had entrusted them with a few thousand Yen as capital.

These conquerors often refuse to buy bus tickets—for, at home, they rode free, they would argue. None the less the Formosan inspectors push them out by force if they insist on riding free. In most cases the disputes end in a fist fight and police arbitration.

For such reasons the Formosans have been called "quick-tempered" (*ch'i tuan*)!

An imperialist would take a foot when given an inch and throw away a nut that is hard to crack.

First Enthusiasm Gone

During the first three or four months following the retrocession, the Formosans enthusiastically greeted any new arrival from the mainland. This was the Golden Age for peace profiteers and war victors. Soon lambskins became worn out, and the wolves within emerged. Thereafter the bridge across the Formosa Strait began to crack day by day.

The only two items of progress for which these "liberators" deserve specific credit are (1) the teaching of knowledge of Chinese and (2) wining and feasting. The first success has been due not so much to the presence of able mandarin teachers as to the Formosans' diligence. Good teachers from Central and North China being few and far between but literacy being very high, many Formosans make the best use of the phonetics, listen to the radio, or engage private tutors, and practise conversation and read on every possible occasion.

As to the latter, the take-over officials and peace-profiteers should be commended. Feasting and feasted day and night, but not accustomed to Formosan (really Amoy) and Japanese food, they had to welcome from the mainland cooks able to prepare and serve dishes in the continental fashion; so much so that nowadays there can be ordered in Taipeh not only Shanghai and Canton, but even Tientsin and Szechuen food. The importation of liquors is against the monopoly law, but Shaohsing, being the native place of the Governor and many other incumbents, the aroma of its delicious wine can be savored almost in every restaurant.

Parallel with this dilemma, Formosans in the rural districts, by defying the monopoly law, manufacture their own wine, which may be less fragrant but is handier than Shaohsing and official sake and beer. Moreover, the island coastline is too long for the small number of customs officers and armed forces to guard, which is why landing points for "duty free commodities" not only from Shanghai and Amoy but even from Hongkong and Okinawa have sprouted fast. As the ranking incumbents are concentrated only in the cities along the insular railways, their poorly paid subordinates dare not go alone and unarmed to the country, least of all to any isolated spot in the mountains or on the seashore, unless they can organize a well-armed company. For this reason the Water Utilization Association has never been taken over. Not that it yields no oil, but because it has to deal with "quick-tempered" peasants in open fields and "narrow-minded" landlords in remote villages.

Sugar Growing Boycotted

The same is true of the sugar industry. Since sugar mills have often broken their promise to pay farmers in cash and to supply them with fertilizer regularly, most farmers have discontinued the planting of sugar-cane. Thus, along the six-mile bus road from my native town, Silo, the greatest agricultural center of Formosa, to the Tiger Tail Factory Town, I could count only seven farms growing sugar-cane—each about one acre!

Whereas in 1940 the Formosan sugar industry reached its maximum production of 1,400,000 tons, in 1946 the output could hardly go beyond 30,000 tons at most, according to reliable sources. When I asked, "Why so little?" I was told, "Because sugar cane is scarce." Asked, "Why not plant sugar cane?" the farmers answered, "Because any crop other than sugar cane can yield surer and quicker returns."

As a matter of fact in industry alone Formosa, in my opinion, is too big for the rest of China to run. To resume operation of all Formosan factories China must mobilize all her well-trained technicians to be exclusive. On the other hand, Formosa has turned out as many technicians as all the rest of China just as the number of her medical doctors—about 3,200—equals that of the rest of China. Nevertheless, native doctors and engineers have been always and everywhere unfairly treated.

At the time of the retrocession many Szechuen sugar experts were considered competent to take over and operate Formosan mills. Now Szechuen men are being sent to Formosa to study. Aside from this and the various activities of the National Resources Commission nothing concrete has been done to revive Formosan industry—sugar, in particular. Yet the 500,000 tons of sugar confiscated from the Japanese would support for a couple of years hundreds of thousands of mainlanders—take-over officials, their kinsmen and henchmen included.

Characteristic of many a take-over official are (1) his main interest in consumption rather than in production and (2) his beaten track of speculation and embezzlement. On stepping into any Japanese factory or institution, his first question would be, "How much cash on hand?" Secondly, 'Any motor car for use?" And finally, "Any residence for occupation?"

Meanwhile, the Formosan staff members would be either dismissed or starved. He might give a new test, frequently testing not the technical knowledge required but the natives' knowledge of Chinese literature and history and San Min Chu I. Thus he can easily flunk almost everyone of them till his own men can form a junta. This is one of the commonest ways in which the mainlanders disqualify islanders. In consequence an errand boy from a Shanghai drugstore actually has been commissioned to take over a drug factory in Formosa!

Inasmuch as UNRRA fertilizer had to be escorted by American soldiers to the village entrances and distributed by them among Formosan farmers, the conquerors' dignity went to the dogs: the people lost confidence in the government. When the judicial police sent out by the Taichung Local Court on Nov. 11, 1946 to take custody of a culprit from the police station of the Taichung District Government, the latter not only refused to surrender the man but even opened fire and mortally wounded one of the court officials. As the friction worsened, General Chen Yi instructed the Taipeh High Court to settle the dispute. The warring parties heeded no immediate order. On my departure on Nov. 30 the case remained unsettled. What has happened since, I do not know. In view of many such occurrences and recurrences the people cannot but lose all respect for the government.

Face All-Important

As usual, face counts first. Time and again the Provincial Government has claimed the percentage of Formosan employees in public service to exceed 61 percent. In fact, most of these men are either errand boys or clerks, performing every toil and receiving no spoil. All the first-class officials have been—all in all—mainlanders. Hence followed the challenging remark in an editorial of the *Popular Daily* (Min Pao) in November: "To uphold the Three Principles of the People in word, but to practise the doctrines of imperialists in deed is not the right way to appease Formosan critics."

Likewise, the Bureau of Education often boasts that the present number of teachers and students exceeds that under Japanese rule. In fact, underpaid teachers have no stomach for earnest work; dissatisfied students strike now and then: and impoverished parents often absent their children from school so as to avoid mysterious donations demanded by the authorities through schools. Text and reference books and dictionaries printed in Shanghai are few; wherefore the Bureau has compiled and published huge quantities of jazz literature for local consumption and for extra revenue as well. Consequently the standard has been seriously lowered, especially in science. In the curriculum Chinese falls short of the national level; English is little favored, and Japanese is ruled out.

Where to pursue higher studies in the future? Ambitious youngsters have been wondering. To promote mass education in word, but practise mass-stupefaction in deed is not the right way to suppress Formosan malcontents, either.

"Popular Elections"

During my two months' stay, the headmen of towns and villages were popularly elected, as ordered by the authorities. To be sure, every mainlander wanting to be a bigwig refuses to head any town or village or primary school. Now the ruling authorities might pride themselves on promising the people local self-government. In reality they claim all levies except the household tax, which amounts to less than 20 percent of the total and is the hardest to collect, but has been assigned to each locality for the upkeep of government offices, schools, roads, bridges, public health and order. In other words, the new deal is self-government in word but wholesale exploitation in deed. When the confiscated commodities and enemy property are gone, then what to live on? More and more taxation, or what?

In the meantime, 17 delegates to the National Assembly were allegedly popularly elected. The candidates nominated by each unit, however, were not submitted to the people for final election, but to the Provincial Council, which when in session last May was not even allowed to discuss fiscal issues. But now 13 out of its 30 members were allowed to be candidates from different units. These chosen people voted for one another, so that the majority of the Formosan delegates now are concurrently members of the Provincial Council. What could the government-sponsored delegates do in Nanking since only three of them can make simple speeches in intelligible mandarin? At a press meeting they offered Formosa as the model province for experiment in local self-government; in earnest they petitioned the Central Government for mitigation of penalty on Formosan war criminals. Why not ask for re-emancipation of their 6,000,000 fellow men?

So amazing is the incumbents' proficiency in recruiting new henchmen from among the natives that many an opportunist who used to ingratiate himself with the Japanese has also quickly picked up Chinese confidence! For instance, many a war profiteer, fearing prosecution and persecution, volunteered after the Generalissimo's visit to make donations for building the so-called Chiai (Kai-shek) Shou (birthday) Hall, though the Generalissimo refused to have his birthday celebrated anywhere by the people.

To push the campaign for Yen 1,000,000,000 throughout the whole of Formosa they organized a semi-official committee to raise funds—by coercion, if necessary. In consequence donations and exactions can hardly be distinguished. Why not

dispose of some enemy property and build 10 or 20 halls?

Many an anti-Japanese leader imprisoned by the enemy during the war has become a critic of Chinese rule and misrule. A Chinese and American-educated engineer, whom the Japanese had put in jail for his pro-Chinese inclinations and knowledge of English and radio, ran for member of the People's Political Council last August by bitterly denouncing bureaucratic capital, the monopoly system, nepotism and despotism, and by advocating home rule for the Formosans. He got elected legitimately, defeating by one vote five contestants, who had to draw lots. On the ground that his surname on one vote was blurred by inkstains, the head of the Bureau of Civil Affairs annulled his election and subsequently compelled him to draw lots with the others and, by prearranging the names and the lots after a certain fashion and by instructing a neutral member of the Provincial Council to draw them, he craftily forced the successful candidate out. Such has been Chinese rule imposed upon Formosa. Naturally, that budding statesman ever since has been an even more severe and bitter critic of the present Chinese regime in the island.

Many sympathizers of the Formosans, not recalling that for three centuries the latter have had a different geography and a different history, wonder why they are less patient than the mainlanders. Instead, the gap of feeling between government and people, between mainlanders and islanders, is becoming wider day by day. Friction between officials and civilians being an almost daily occurrence, the struggle between imperialism and nationalism will continue. It must come to an end, however, before Chinese nationalism dwindles into Formosan nationalism, when it will be too late to regret the consequences. Let the present officialdom run Formosa for five more years. Be sure the beautiful island will become a hell worse than Hainan. Yet grant the natives home rule—and within a year it will become better, but never worse than the present.

Now that the Constitution adopted on Christmas Day has promised the whole nation its enforcement in a year, the Formosans may look up to the only ray of hope,—the hope that in the new year of 1947 their native land will see imperialism stampeded by nationalism, autocracy replaced by democracy, and misrule surmounted by home rule.

LT. GEN. ALLEN H. TURNAGE, commanding general of the U.S. Fleet Marine Force, Pacific, arrived in Tientsin from Tsingtao on January 12. He was accompanies by Maj. Gen. Samuel L. Howard, commanding general of the First Marine Division.

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PREMIER ALCIDE DE GASPERI of Italy has laid the groundwork for a loan to Italy from the Export-Import Bank in his talks with high United States officials. The bank is said to be studying Italy's revised application for a loan, somewhat reassured by Gasperi's statement that the money is to be used to revive Italy's export trade which should make it easier to repay.

Recovery Predicted In Japan's Silk And Cotton Industries

By JAMES R. YOUNG

(Editor's Note:—Recent shipments of silk to England and the United States have aroused particular interest in Chinese quarters in view of the highly competitive situation which may develop if China is able to obtain the mulberry and cocoon sources which she has vainly requested from Supreme Headquarters in Tokyo. This article, by a foreign correspondent who has spent 13 years in Japan, is an authoritative report on a recent silk investigation).

A FIRST HAND report on Japan's silk industry comes to me from Dan E. Douty, president of the United States Testing Co., Hoboken, N.J., who, after several months in Japan at War Department request, reports that the valuable fibre industry is 85 percent inoperative, mulberry acreage has declined 60 percent and cocoon production is off 75 percent.

Mr. Douty, an authority on silk, advances the considered opinion that the Japanese will devote their "skill, industrious tenacity and their large labor pool under the sheer compulsion of national survival in the complete restoration and further expansion of their sericulture industry."

Silk culture is as important to the farmers in Japan as common crops are to American soil workers.

In one mountain section, to my knowledge, there are 2,000,000 peasant houses where the families depend almost entirely on silk for their income.

Sericulture is essentially an agricultural industry. Only 20 percent of Japan's island area is suited to farming, and since mulberry groves are cultivated extensively and proportionately profitably and satisfactorily, imperfect land areas are worked for the mulberry leaves on which the cocoons feed.

Cultivation of the mulberry is a task which employs millions of women, children and aged persons and crippled and disabled war veterans. The harvesting and feeding of the leaves to the silkworms is an ideal job for persons who are incapable of heavy farm or industrial labor.

Silk cocoons thus are a valuable cash crop.

Perhaps it is this point which created the War Department decision to develop the silk industry as a source of income to be used in rebuilding Japan's economy.

Mr. Douty, who is a silk expert of 25 years in the trade, predicts that "there is industry available to the Japanese which can be substituted in the reconstruction period or can replace sericulture in the future economy of Japan."

Mr. Douty believes that when silk production is normal and such silk cannot be completely sold in world textile markets to provide the Japanese with the credits which they must have to obtain imports, the Japs will design, market and originate finished silk goods thus employing surplus labor in an effort to increase the economic value of silk as a raw material which can be produced in competition with economic rivals.

The Japanese are aware of this economic bargaining weapon. During Mr. Douty's official visit three substantial filature groups gave him their views. The Silk Exporters Association had four discussions with him, and a delegation of politicians from 17 prefectures called upon him in the interests of their silk worker voters.

The Silk Exporters, I recall, are an autonomous body like the Cotton Exporters Association. Combined, they are powerful bodies which can make in world markets a competitive fight for American or British manufacturers. They can obtain government subsidies and arrange preferential shipping and insurance rates which will break almost any country's tariff barriers. Their labor costs are unbelievably low.

Silk, cotton and fish, as I have emphasized before in my observations of Japan's economic rehabilitation, may lead to an international trade war. The Japanese are experts at maneuvering world trade situations during violent international economic upheavals.

Any attempt to forecast the Japanese raw silk industry beyond 1948 would, according to Mr. Douty, be the grossest guess work. He points to the lowered quality of cocoons due to a lack of fertilizer, insufficient cultivation of the mulberry and a low morale in the industry, but he concludes, "leading filature companies will strive to maintain their qualities under the most difficult conditions."

Given continued American official encouragement, I think the Japanese, in silk and in cotton, will make a surprising recovery, and if American manufacturers hesitate to return to the use of silk, and synthetic competition increases, then the Japanese will re-invade Far Eastern markets, from China to India, with home produced silk goods.

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A Review & Study Of The Student Demonstrations

By FRANK L. TSAO

PREDICTION or mere coincidence, but Dr. J. Leighton Stuart's prophecy of a "new revolutionary movement" in China, made in Peiping last August, at last has come true—not surprisingly, on the first day of this decisive year of 1947.

The current student movement, when viewed in the perspective of recent Chinese history, has a striking resemblance to that of May 4, 1919, when a student movement against foreign aggression received wide support and sympathy from the entire nation.

Miss S., victim of the recent deplorable incident which set off the burning protests of China's youth, comes from a decent family, prominent in the affairs of Fukien province. Her father is head of a certain department in the Ministry of Communications, and her grandfather is a former governor of the two Kwang (Kwangtung and Kwangsi) Provinces.

Attempted Suicide

She studied in the ex-SMC Secondary School for Chinese girls from 1942 to 1945, and until recently was a co-ed in the Peiping University. She was slapped and branded by the Peiping police, who made out that she was a mere prostitute. This came after her alleged wanton raping by the two American marines. The humiliation led her to attempt suicide, in which, fortunately, she failed.

The Peiping authorities tried to intimidate her. They also intimidated newspaper reporters against publishing the news, and as these efforts proved futile they commenced sending dispatches to all corners of the world alleging that Miss S. was not of a good family and that the rape "action has not been 'completed'."

Setting up second and third "defense lines," they attempted to impress the public with the "fact" that this occurrence was an "isolated case," which should, and would, be settled within the law, and that "unscrupulous elements" were utilizing the issue to launch an anti-American campaign.

"Insult To Nation"

In spite of these attempted tactics of misinformation, students throughout the country thundered their protests against the "atrocity act." This is not a mere personal insult to Miss S., they pointed out emphatically, "but an insult to the whole nation."

Peiping students took the lead and held a city-wide demonstration December 30. In addition to demands for a public apology and due compensation, the demonstrators requested immediate withdrawal of U.S. armed forces in China.

"China is not a colony of the United States!" one slogan said. Some of the slogans, as reported by the *United Press* staff correspondent in Peiping, described the American GIs as "barbarous beings and rascals."

A strong supporting movement followed among students in Tientsin, Shanghai, Hangchow, Hankow, Wusih, Chungking, Chengtu and Kunming.

"We have had enough," the students roared at the US armed forces, "we can't bear any more."

The best and only way to maintain true Sino-American friendship is to withdraw all American armed forces from Chinese soil. This automatically will "put an end to all these U.S. atrocities."

A statement issued by the "Federation of Shanghai Students Protesting Against U.S. Atrocities'" also made it clear that their "chief aim is withdrawal of American troops from here." A sound and justified demand, in view of the fact that the so-called "military missions" of the American armed forces—repatriation of Japanese, primarily—long have been accomplished.

A deliberate campaign of rumors and misinformation that the student demonstrations were fast "becoming obscured by political issues," and that Communists were actively utilizing the "unsuspecting" students to stir up political chaos, was begun as an antidote to the widespread expression of true public opinion.

"We have had enough of these red-baiting scarecrows, "the students replied, "but our principle is to follow what is right, and who is right."

Instigated By Reds

Imagine for a moment that Chinese armed forces were in the United States at the request of the U.S. Government for the purpose of "repatriating Japanese," and that two members of this force had assaulted an American girl—"completing," or not, the wanton act. How would the American masses react to such an occurrence? Would they abide with their Government in the event this Government—like the Chinese Government—cloaked the whole affair with a mantle of casual dismissal of an "isolated act"? And if they did protest, and strike, and demonstrate, would it be a logical conclusion that they were instigated by "unscrupulous political elements?"

"It is not a sound assumption of the Chinese Government to look upon the student movement as one instigated by the Communists," the influential *Ta Kung Pao* editorialized on January 6. "If the Communists have the ability to instigate so many college students to launch the demonstrations, then the motive and rallying point of this instigation is a question worth considerable consideration."

In conclusion the paper asks for the withdrawal of American armed forces from China, "which would end all misunderstandings between the two friendly peoples."

To charge that protests and demonstrations (the effects), and not the rape and other "actrocity acts" of American GIs in China (the causes) have impaired relations between the peoples of China and the United States is ridiculous and illogical.

The Peiping incident was the straw which broke the camel's back. The eruption of public sentiment against American armed interference in Chinese affairs would have broken out months ago. A restraining factor was the gratitude of the Chinese people for the valuable assistance rendered to them by the U.S. Government during the war of resistance. But, as student leaders pointed out, "gratitude, after all, is not servility."

The eruption could have been avoided, of course, if the Chinese Government had been representative of the will of the Chinese people in such cases. But the Government bows low to foreign countries and stands against its own people.

It is a pretty paradox to say the Chinese forget easily, that the same Chinese who cheered "the B-29s when they came to bomb the Japanese" now cast arrows of anger at the same pilots. As if to substantiate this "bitter" charge of ingratitude a Mr. Ex-College Man wrote a letter to the editor of the *China Press*, January 5, saying "I know most of them (Peiping students) were residents of that city during the Jap occupation and it seemed they were quite complacent to all the brutal acts committed by the Japs as no public demonstration had ever been staged."

Friend, Foe Confused

This erroneous, conception arises from a confusion between friend and foe, a misconception of the true nature of the demonstrations. The Japs were enemies and nothing short of armed resistance could force them out of China. The Americans are our friends, however, and public demonstrations are only a bitter way of giving them advice, since all oral protests have proved futile.

Every people has a national existence and the birthright to make independent decisions regarding its way of life and its future. The presence of the American armed forces in China—in violation of the high-sounding principles of the Atlantic Charter and the United Nations Charter, the Communique of the Foreign Ministers Conference in Moscow and President Truman's Statement on U.S. Policy in China, Dec. 15, 1945—is direct interference with this birthright of the Chinese people, Chinese Government approval or no Chinese Government approval.

"We demand that the Government raise a strong protest against such incidents," 18 professors of St. John's and National Chinan Universities, declared publicly, and added: "These incidents have ruined the prestige of the United States among the Chinese people."

Anti-American Agitation Subsides Following Kaifeng Demonstrations

By MARK M. LU

(Special Correspondent, The China Weekly Review)

Kaifeng, Honan, Jan. 5.

WITH a view to protesting the alleged raping of a college girl student at Peiping on Christmas Eve by American marines, the students of the National Honan University, Hydraulic Engineering College, and of all the middle schools in this city, numbering more than 10,000, held a demonstration on the morning of January 4, when they distributed handbills, put up posters, and shouted slogans along the principal streets. Under the protection of policemen and gendarmes, the students kept order and no incident was caused.

When passing the UNRRA/CNRRA offices, they pasted two posters in English. One, on the right side of the front gate, said, "We will not stand the insults of Americans," and the other, "Be off! Americans, out of China instantly." In addition, they pasted many handbills and statements on the wall. However, by the following morning, all the posters and statements had disappeared.

The demonstrations over, representatives of the middle school teachers and students held an emergency meeting, and decided to send telegrams to Generalissimo Chiang and General George Marshall separately.

The wire to Generalissimo Chiang read, "On learning from the newspapers that the American marines raped a Chinese girl student at Peiping on Christmas Eve, we were greatly shocked. Bad feelings towards Americans, stationed in our country, would be aroused if the offenders were not severely punished. We should lodge a strong protest with the American authorities over the incident, demanding that the offenders should be severely punished and that non-recurrence of such cases should be guaranteed in the future."

The telegram to General Marshall was as follows:—"With your arrival at China, Sino-American friendship has been increased day by day. We Chinese people respect you as our fortunate star. We deeply regret to hear of the incident of the raping of a girl student by American marines at Peiping on Christmas Eve. The culprits should be severely punished or bad feelings between the two nations would be aroused. For this reason, we request you to telegraph the United States Government to punish the culprits immediately and assure that similar cases which may injure the friendship between the two nations should not recur in the future."

The Students Union of the National Honan University also sent separate letters to Generalissimo Chiang and General Marshall, respectively, which read as follows:—

"During the past year, American soldiers have done much evil in the big cities throughout the country. Their jeeps injured our people from time to time. A student of the Catholic University at Peiping was wounded by American troops with a gun. On Christmas Eve, two American marines raped a Chinese college girl student at a busy spot in Peiping. It is evident that they despised the personal rights of our people and the independence and freedom of our people. If we tolerate this insult, what will we not have to bear in the future at the hands of the foreigners. We should lodge strong protest with the American authorities over this vile action, and demand that the American troops withdraw from Chinese soil in order to preserve the sovereignty of our nation."

The letter to General George Marshall follows:—

"A good friendship has ever existed between China and America. During the hostilities, when the two nations fought against our common foe, America rendered great help to China. We Chinese people were grateful to the Americans . . . On Christmas Eve, two American marines raped a Chinese college girl student at a busy spot in Peiping. It shows that they despise the personal right of the Chinese people, and treat the Chinese people as their slaves. For this reason we demand (1) Severe punishment of the offenders: (2) A formal apology to the victim's family; (3) A guarantee that similar cases would not recur in the future, and (4) Withdrawal of the American troops from Chinese soil at an early date.

The local vernacular papers were silent and made no comment, except in the *Li Hsing Daily News*, which carried an editoral, the saliant point of which was: "At any rate the American soldiers had done something wrong. It is like a black spot, left on white jade." On making a trip through the city, the writer found that all the anti-American posters had been torn down, and no talk about the student demonstrations could be heard. Generally speaking, the anti-American agitation has subsided in our city.

Liberals Form League To Protect Basic Human Rights, Freedoms

By ARTHUR C. P. KWEI

EVERYBODY knows World War II was fought to protect democracy and human freedoms. The late President Roosevelt announced the well-known Four Freedoms with the hope that this goal would be attained. But victory has brought us neither the light of democracy, nor the protection of many a human right.

In China, notwithstanding the equally famed four promises of President Chiang made at the close of PCC, liberal leaders Li Kung-po and Wen I-to were assassinated, newspaper organizations were destroyed and patriots were injured throughout the country. Seeing these things, liberals in China determined to stand together and fight for the achievement of this goal in this country.

Shortly after the Li-Wen assassinations, their friends met in Shanghai, where Dr. Tao Hsin-chih suggested that an International League for the Protection of Human Rights in China should be formed. Unfortunately, the well-known Chinese philosopher and educator died, leaving his task undone. A meeting of the founders, however, was held in August, 1946, and Paul Yen, James Endicott, Talitha Gerlach, Y. T. Wu and a number of others were asked to prepare a draft constitution. The league invited people from all walks of life to become members.

Meanwhile, Chang Yuan-shon, Mrs. Herman C. E. Liu, Chang Nei-chi, Talitha Gerlach, John W. Powell, Ma Shu-lun, Shun Pai-hua, Y. T. Wu, Li Tsi-shen, Shih Liang and Chu Hsueh-fan were elected to serve as its executive committee and look after affairs of the league.

At the first membership meeting, more than 50 persons were present. Addressing the gathering, General Li Tsi-shen stressed the importance of the organization in view of the "dark period we are in." Two foreign friends, Miss Talitha Gerlach and Professor Willmott pointed out that America was founded in the name of democracy, and "she is meeting her difficulties as well. We shall all fight for world protection of human rights." Democratic League leader Chang Pei-chun told the meeting that "if human rights were violated there would be nothing good for stopping the civil war or having the National Assembly."

Just at this moment Chang Nei-chi walked in and said, "It is very pitiful that our meeting is held today. As I remember, about 10 years ago, there was a wooden sign marked 'League for Protection of Animals' in front of the Race Course. And we of mankind today still have to struggle for protection of our basic rights! It seems we are worse off than animals! But let us overcome all difficulties and carry on with our mission of the day." It was a moving speech.

The purpose of the league is to protect the basic rights and freedoms of the Chinese people as well as foreign residents in China. Its principal job will be investigation of facts concerning infringements of the people's rights in China. Its findings will be published in China and abroad in the hope that effective action will be taken and it will strive to educate the public in the use of provisions of law to protect the basic freedoms and rights of the individual.

Adequate Pay For Civil Servants Urged To End Graft, Corruption

By LAM ON-PONG (林安邦)

EARLY last year an article by this writer appeared in the Review expressing the conviction that low pay bred corruption among civil servants. Since then an unending parade of corruption cases has unfolded before a public as bewildered as little Alice when she first peeped through the looking glass into a fantastic world. Fantastic as it seems to the uninitiated eye, beneath lies the tragically human situation of a reckless struggle for existence.

The instinct that leads to corruption in most cases is the same that prompts one to drink poison to quench a fatal thirst, knowing full well that it means certain death. The temptation of possible temporary relief from a strangling thirst is usually too great for the common man to resist. After all, the survival instinct is a primal inheritance handed down by our monkey ancestors, according to Darwin. It is common to all bipeds, whether they wear pants or not, and no matter what language they speak. Civil servants are included in this category. Asked to give their best and their all in return for a pittance that amounts to a daily ration of a gust of the northwest wind, is it not natural that, given the chance, they look after themselves by obliterating a dozen zeros or so from their official accounts and adding the same to their wives' personal accounts, just in case? For the few poor little fishes that get caught there are perhaps thousands of bigger, wiser, and fatter ones that slither in the cool depth of political immunity.

Sound Civil Service Needed

Must the Central authorities, struggling hard to attain democratic maturity in government, always fail to give priority to this fundamental problem of establishing a civil service on a healthy basis? In Nanking they wrangled with hoots, hisses, and yells of "Mow him down!' in the National Assembly on the question of transferring the capital to Peiping.

Those same representatives of the people should bear in mind that aside from the big noises who float about in 1947 model American cars, there are millions of petty civil servants all over the country who are at this very moment tightening their belts around their always hungry bellies and shivering in coats that were good and warm some 10 years ago!

It was the delegates' holy duty to demand the inclusion in the Constitution of a minimum living wage guarantee for the lowliest civil servants, instead of thinking only of the establishment of a constitution that would give political refuge to any party.

The importance has been stressed of the national armies, which are the muscles with which the country defends herself in times of external emergency; the army's requirements have also been used as the buffer-excuse for the neglect of many sorely needed reforms. But it stands to reason that equal stress should be laid on the establishment, once and for all, of an efficient civil service system. That is the life blood of any government. Even the most muscular man cannot defend himself effectively if, under the slightest exertion, his "ticker" should stop ticking from lack of blood.

Secret Of Efficiency

The secret of efficiency is in fact very simple. In a nutshell, if a job is such that the losing of it is a real loss to the employee, you can rest assured that without persuasion or threats he will make a voluntary effort to do his best and keep the position. What is efficiency but the accumulation of the best efforts of one's employees? Henry Ford, Sr. knew that. He had the sagacity to apply that principle during the 1930's depression. While every automobile magnate in America was busily cutting wages, the late Henry Ford increased his employees' hourly wage to $5, which was then an unheard of madness. The outcome made history in American industry. By that stroke of common sense, genius Henry Ford tided over that stifling period and emerged a resurrected leader in the industry. What can be applied to industrial labor with success is equally applicable to governmental labor. The principle is there.

Granted, we have to maintain a huge military force at this time; granted, the country is at present very poor. These are not reason enough to maintain a civil service of starvelings! What good can be expected of a government whose circulatory system is full of watery and poisonous substances? I don't imply that every "dinky" civil servant should wallow in a 1947 Packard, but I do recommend a living wage for all civil servants, which will be a luxury, indeed, in these hard times. If every civil servant can live on the wage he earns, in whatever department he works, try to tempt him to take an outside job that may offer better pay but less security. I am certain he would think twice before giving up his steady government job.

Takes Trillion

As it is, when the pay can hardly keep his stomach filled for the whole month, who can blame the civil servant who falls prey to the temptation of taking a couple of trillion on the sly; who can blame him for inefficiency if his vitals squirm under the pangs of hunger? You may sack him; you many jail him; you may even shoot him; but, I am afraid, you can never hope to fill the vacancy he left with an abler, more conscientious, better man. As a well-known Chinese saying goes, "Piety and righteousness only flourish when stomachs are full and bodies adequately clad."

Irregularities Listed

There are several existing irregularities in our governmental machinery that call for immediate rectification. If the following suggestions are properly enforced, the lot of the minor government servant may be alleviated.

(1) Uniform treatment of all government employees, irrespective of organizations. It is common knowledge that certain productive government organizations, such as the four national banks, the China Merchants Steam Navigation Company, the China Textile Corporation, the Chinese Maritime Customs, etc., pay much better than other non-productive organizations, such as the Bureau of Education, Public Works Bureau, or Public Health Bureau which pay strictly according to the formula of basic pay times 1,100 plus CNC$170,000 subsidy or allowance. For instance, a man with a basic pay rate of CNC$200 will get CNC$390,000 per month, that is, he has to live on CNC$13,000 per day! Ridiculous? I leave it to your imagination.

There are at present five new public middle schools here whose teachers have not been paid a single cent since September, while the four national banks and other national industrial organizations have issued to each employee CNC$500,000 for winter clothing. What did the civil servant of the Shanghai City Government get for the same purpose? Don't split your sides in incredulous laughter when I mention the figure. It is CNC$8,100! Is this uniform treatment? The highest government authorities should make it a law that civil servants are civil servants no matter in what gold minting organization they may be; it should be unlawful for the government director of any organization to give extra subsidies to his employees.

Weeding Out Urged

(2) Simplified government structure. For instance, the four national banks should be merged into one organization in structure as well as in name. In local governments such as Shanghai, the social and educational bureaus can be merged into one. The Public Works Bureau, Public Utilities Bureau, the Land Bureau and the Whangpoo Conservancy Board might be combined in one Public Facilities Bureau. Thus a large number of surplus personnel might be eliminated.

By these methods more funds can be retained in the national coffers to raise the general level of pay for civil servants. It should not be too great a strain to bring their wages up to an adequate living level. When this is attained, inefficient workers can be weeded out according to law. Corruption may be punishable by the supreme penalty. With the decline of nefarious practices huge sums that have been going into private pockets will find their way to the place where they belong—the National Treasury.

Pao Chief Omnipotent To Honan's Ignorant, Oppressed Peasantry

By DUNCAN LEE

(Special Correspondent, The China Weekly Review)

Kaifeng, January 5.

TO the ignorant farmer of Honan, the pao chief (the head of China's smallest political unit) is like a king of unlimited power and sovereignty, second only to his esteemed and holy gods. Indeed the fate, fortunes or misfortunes of a rural civilian do not depend upon how hard he works, but lie in the hands of the pao-chief of his neighborhood.

Having finished the day's toil and devoured some black bread and gruel which constitute his supper, the peasant may sit smoking a pipe and talking complacently with his family about harvest and sowing. Then his pao chief comes along to announce the peasant's allotted share of the money to be collected for such and such a public purpose, or as some kind of tax unknown to him. Or he may be told to start immediately to drive his ox-cart through the night to a certain place, to transport soldiers or government officials with their equipment, or cereals and firewood for emergency use. Sometimes he will be called to heavy labor. In most cases he is not paid in either bread or money, and he may suffer many days from a hungry stomach when his limited fare has been used up.

But the thing that he fears most is that when fast asleep after the day's labor he may be surprised at midnight and taken to an unknown spot where, huddled with some other luckless victims, he may be told that he is a draftee and will soon be transferred to the Conscription Headquarters, thence to be led away into the army.

Land, Cattle Sold

His family, after weeping for their misfortunes, will bribe the pao chief to snatch a substitute, if they can get money by selling their precious land and cattle. If not, the young man's life will be at the mercy of enemy fire or his own officers. His name will no longer be mentioned in his family, for he is regarded already as being dead.

His family only heaves a sigh of relief after it is all over and says in resignation: "Well, after all, it is done. We can have, henceforth, a peaceful life." But that may not be the case. Further troubles as bad or worse may befall them. "We must accept it, for it is our fate," they will say again.

In general, parsimony and thrift are observed in most rural parts of Honan. This perhaps is due to the frequent recurrence of drought, flood and locust plagues. In order to cope with any unexpected famine, which always seems to hover over Honan, they must consume their grains as sparingly as possible.

Wheat For Tax-In-Kind

In the western and northern districts, such as Hsinyang, Szeshui and Chinyang, Sinsiang, Chihsien, Linhsien or Neihwang, it is the custom that everyone of peasant lineage, poor or rich, must eat black bread made of kaoliang, peas and maize, the wheat being laid by to pay taxes in kind and wheat flour being served only on festivals and to guests. In the southern and southwestern districts, such as Tungpei, Tangho, Sinyeh, Nanyang, Chenping, Neihsiang, Sichuang and Tenghsien, farmers cannot afford to buy salt, which is sold at exorbitant prices. They often take saltless meals.

Most Illiterate

Most of the farmers are illiterate and superstitious. In the winter of 1942 and the following spring large numbers starved to death due to three successive years of severe famine. The writer toured the famine area and was much moved to see the despairing farmers kneeling before their withered or locust-infested fields under the burning sun and on the scorched ground, praying to Heaven for rain and for removal of the locusts, which they call "godly worms."

They do not believe that anyone can save them. When the government's uniformed or western-clothed relief officials come to distribute food and clothes, they think that it is too good to be safe, and hesitate to accept lest something dearer to them be taken away in exchange.

Like most of the Chinese farmers, the Honanese have large and burdensome families, often including the members of three or four generations. Most couples have several children. Even driven as they are to wretched destitution with so many idle consumers on their hands, most families will rejoice and will be congratulated by their neighbors whenever a boy (not a girl!) is born to them.

Infants Drowned

But this is not true in the southern and southwestern districts, where countless infants are drowned immediately after birth. Many housewives in that region may cite two or three shocking stories of drowning their own infants.

Unlike women in other districts they do not think it a sin or a shame for, as they say, "How can we get along with so many children when we are already suffering? If it is a girl, by our custom half of our property will be allotted to her as dowry; if a boy, why, he will be taken by the pao chief and go to the battlefield to die when grown up. Let us and our children suffer not." It is a pitiable truth that in those parts the countrywomen are much fewer than the men and it is only with much difficulty that a young farmer can get a wife.

While Honan peasants love peace and tranquility, as do most of the Chinese, they have no ideas of law and politics. What they do is in accordance with traditions and customs that have been handed down for thousands of years and practiced without molestation. Although the farmers are peace loving in most respects, there prevails among them a criminal tradition of murder and assassination of their personal enemies in Nanyang, Loyang, Lushan, Anyang and their environs.

Family Feuds Common

It is quite common for a trifling dispute or personal quarrel to lead to murder or manslaughter. They despise law and their only recourse is retaliation; killing more of their enemy than they themselves have lost. This being the case, it is not surprising that revenge gives rise to new revenge, relatiation calls for further retaliation, and these inhuman hatreds and murders may last for generations between the hostile families until one of them goes out of existence. This can be accomplished either by the bold young men of the family or by hired assassins.

Perhaps this kind of brutality and savagery, in addition to the famines and government corruption during the past 20 years, is responsible for Honan being a bandit-ridden province. Pieh Ting-fang, the well-known Honan militia organizer in Nanyang and districts west, once was no more than a big bandit himself. He surrendered to the government troops in 1921 and with his despotic power and ardor he reorganized his gangsters into a formidable militia that contributed a great deal to the defense of their native towns against brigands in time of peace and the Japanese during the war. He died in 1940.

Causes Uncertain

His death was allegedly caused by a burst blood vessel, but other versions of the story say that he was assassinated by a general of a garrison army under the pretext of a rebellion.

Politics mean nothing to illiterate Honan country folk. When they chance to see someone reading a newspaper they will say, grinning, "Hello, how is old Chiang?" Whether he is president of the National Government or Generalissimo of the Chinese forces or holds any other high positions does not, however, matter to them. Their question was only intended to show that they know of someone in political life. "Where is old Feng?" they will ask again, referring to the so-called Christian General, after their first question is answered. They care nothing about anyone else and, satisfied, they will saunter away singing their native songs.

The U.S. Government is experimenting in one section of the country with a labor-management cooperative plan which has proved successful in averting labor troubles in a large industrial midwestern American city. A labor-management assembly, composed of 12 top representatives each of labor and management, will attempt to mediate disputes which do not resolve themselves under normal conditions. ..

NEWS OF THE WEEK

Government Conducts Peace Talk Offensive; No Red Reaction

THE various rumors which sprang up last week materialized late this week in a more or less tentative "official" peace offer on the part of the Government to be transmitted to Yenan through the Communist representative in Nanking.

Ten top Kuomintang leaders met in midweek and were reported to have worked out a plan, the major characteristic of which was the statement that "the method by which negotiations may be resumed shall depend upon the decision of the Communist Party."

Whatever this last sentence meant, it was significant that the Government likewise proposed to include in the agenda such questions as the reorganization of the Army, local government and the extent of the Communist Party participation in the Central Government.

The 10 leaders of the KMT who were said to have worked out this proposal included Dr. Sun Fo, Wang Shih-Chieh, minister of Foreign Affairs; General Chang Chun, who it was rumored earlier would replace Dr. T. V. Soong; Shao Li-tze, Secretary-General of the PPC; Chen Li-fu; Yu Ta-wei; Minister of Communications; Lei Chen, deputy Secretary-General of the PPC; and Chang Li-shang, Minister of Interior, besides two others.

On the other hand, while all these preparations continued and the departure for Yenan of a Government envoy was again mentioned in the press, the Communist Party remained silent on the question of peace talks. Observers doubt whether the Communists will agree to any basis for negotiations other than their oft-repeated demands that (1) the constitution be annuled and the NA declared "null and void," and (2) that troop dispositions be based on the January 13 truce agreement.

Earlier last week, the Communist spokesman in Nanking termed Dr. Sun Fo's suggestion for an all-party roundtable conference as another "government peace offensive." He reiterated that the CP had already made known the conditions for resumption of parleys.

Speaking at the weekly memorial serivce last Monday, Generalissimo Chiang reviewed the Government's work during the past year and said that "the most severe critics cannot deny that the Government has done well in the paramount tasks of accepting surrender and rehabilitation." He added that there is no danger of an economic collapse.

Commenting on General Marshall's China statement, the Generalissimo declared: "Marshall's statement was filled with constructive criticism and showed his good will toward China."

INDO-CHINA

MORE French troops arrived in Indo-China last week and another liner left Marseilles this week for the Far East carrying 17,000 troops, 3,000 tons of munitions and 1,000 tons of medical supplies.

Vietnam Radio reported that French troops from Tourane, seaport about 350 miles south of Hanoi, launched attacks on native forces and this is interpreted as an attempt to establish contact between Tourane and Hue, capital of Annam. The French garrison at Hue has been surrounded by Vietnam forces for several weeks.

There was little hope, on the whole, for an early armistice in Indo-China, in particular after the statement by Marius Moutet recently that "a military decision must be reached before peace talks can resume." Reports from Hanoi indicate that the country faces a prolonged period of bloodshed, since the Vietnamese are determined to force the French out of Indo-China, and the latter are determined to say.

In Paris, right-wing deputies walked out of the French National Assembly when Marcel Cachin, president of the Assembly, proposed a resumption of negotiations with Ho Chi-minh, the Indo-Chinese independence leader.

Cachin is reported to have said: "French workers consider it very dangerous to undertake another colonial war. They recall that guns fired on Damascus were the origin of the loss of Syria. They consider it is not too late to resume negotiations with Vietnam on the basis of the March agreement."

"DON'T FENCE ME IN"

Cargill in The New Orleans Times-Picayune

* * *

BURMA

REBELLION, as it was called, was reported to be spreading in Burma just at the moment when U Aung San, leader of the Burmese delegation in London, reiterated that Burma will seek independence from Britain, and not dominion status.

The rebellion was said to be more in the nature of a civil war between dacoit gangs, "led by the Communists," on the one hand, and police, soldiers and volunteers of the Anti-Fascist People's Freedom League on the other. The area of hostilities is said to cover about 5,000 square miles where regular warfare has been in progress for some time.

Ba Pe, senior member of Burma's Executive Council, said that "the situation is most critical. Rebels still hold sway over large parts of the district (Yemethin) where they have even set up a parallel government collecting taxes from the people and maintaining their own police force and courts of law."

He added that the Government was determined to suppress the rebels and proposed to send military reinforcements.

* * *

STERLING BLOC

THE United States has warned Great Britain about the inclusion in the coming blocked sterling agreement with Egypt and India of any loopholes which will eventually enable the co-signers to evade the provisions of the Anglo-American loan agreement.

It is said that the warning was contained in a letter by John Snyder, U.S. Secretary of the Treasury, to Chancellor of the Exchequer Hugh Dalton.

This move was based on the revelation that a clause in the recent Anglo-Argentine agreement constituted just such a loophole which practically bound Argentine to the bloc and prevented her from freely disposing of her sterling balances.

* * *

INDIA

IN Bombay and New Delhi, detectives made raids on the houses and offices of India Communists in a search for a secret document entitled "Operation Asylum," which detailed measures to be adopted to check an Indian uprising should the British Cabinet mission's objective in India fail, and which is alleged to have been printed in the Communist Party plant last year.

P. C. Joshi, Secretary of the India Communist Party, said that the Bombay raid began early in the morning and was carried out jointly by police and members of the Central Intelligence Office.

He added that no document was unearthed and that Communist activities in India will not be "greatly hampered" as the result of the raids.

China's Civil War

As Reported Day By Day In The Press

December 8, 1947

COMMUNIST forces cut the Peiping-Tientsin highway, when they captured the town of Matochen, a bus station 25 miles Southeast of Peiping, according to *UP*. They have thus severed the line used by U.S. Marine convoys to supply Executive Headquarters.

Simultaneously, the Communists launched two other attacks, one at Tunghsien, 14 miles east of Peiping, and Hsianho, 35 miles southeast of the city. In the latter two cases the Reds were repulsed, *UP* said.

• • •

December 9, 1947

The Communist headquarters claimed a major victory in Shantung, in the area of Linyi, when New Fourth Army units killed and wounded 7,000 KMT troops and captured more than 20,000 officers and men in a three day battle.

The *CP* dispatch claimed that its force recovered the town of Lanlin, southwest of Linyi, after repulsing Government forces earlier, and on the following day seized the county town of Peihsien and four other strong points.

Red guerrillas strengthened their hold on the Peiping-Tientsin highway with the capture of another important town—Sichihchen—along the thoroughfare, 17 miles southeast of Peiping, *UP* cabled from the former northern capital.

The Communists likewise attacked the town of Anze, 44 miles southeast of Peiping, but were said to have been driven off after they had reached a point three miles from the Peiping-Tientsin railway.

• • •

December 10, 1947

Hostilities spread in scope in the Peiping area when the Reds were reported to have attacked Manchuchiao, six miles east of the U.S. Marine airbase at Peiping's south field, according to *UP*.

The Nationalists claimed the recovery of Matochen, 25 miles southeast of Peiping, which had been taken by the Reds two days previously.

The Reds, on the other hand, seized the town of Wuchin, 37 miles southeast of Peiping. Both Wuchin and Manchuchiao are located on the secondary Peiping-Tientsin highway.

• • •

December 11, 1947

Communist guerrillas captured the town of Anping, 35 miles southeast of Peiping, scene of the U.S. Marine-Communist incident last summer, according to *UP*. This signified that the Peiping-Tientsin highway was closed to traffic for the fifth day.

Nationalist forces recaptured Sichihchen, 17 miles southeast of Peiping, along the contested highway. Fighting continued to rage near the U.S. Marine airbase at Peiping's south field.

Sporadic fighting broke out in other sectors of the Peiping "front," in particular at Sunyi, 22 miles northeast of the city, along the Peiping-Kupeikow railway leading to Manchuria.

The Ministry of National Defense confirmed the capture of Suyang in North Kiangsu by Government forces.

• • •

December 12, 1947

Reports from Peiping said that traffic along the Peiping-Tientsin highway had not been interrupted and motor cars had been running the previous day in spite of the presence of light Red forces in the vicinity.

• • •

December 13, 1947

The Nationalists retook the towns of Anping and Wuchin, between Peiping and Tientsin, while the Communists drove against Lanfang, important rail center on the Peining line.

Fighting also continued along the highway, especially between Tunghsien and Matochen, 14 and 17 miles east of Peiping respectively.

• • •

December 14, 1947

Attention still continued to center around the fighting in the Peiping area, as the Nationalists were reported conducting mopping up operations and the Communists withdrew from the highway linking Peiping and Tientsin after almost one week of hit-and-run fighting.

Mr. J. Hirsch was to leave on the s.s. General Gordon when it sailed recently. In his haste he met with an automobile accident as a result of which he is in the hospital and reported to be in a serious condition.

• • •

DR. P. H. CHANG, Chinese Consul-General in New York, addressing the Boston Foreign Policy Association, said that China hoped for unswerving economic cooperation from America and understanding of the real situation in China. He expressed the hope that American friends would not be misled by those who are biased and prejudiced.

• • •

CHANG PAI-CHUN, Democratic League leader, stated that the League will participate in a reorganized government as soon as nationwide hostilities end and peace is achieved. He said that the League will continue efforts to mediate in the Government-Communist disputes if necessary, and reiterated that peace must come before the government is reorganized.

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赫立維他 劑錠

Marshall's Departure Heightens Pessimism, Boosts Gold Prices

BECAUSE the sudden departure of General Marshall indicated the increasing difficulty of a solution of the political trouble and military strife in China, the quotations for gold bars and American bank notes rose during the week ended January 11. The increase was further accelerated when rumors were circulated that the authorities were considering issuing notes of CNC$5,000 denomination.

Gold bars, traded around CNC$3,500,000 last Monday, rose to Saturday's closing of CNC$3,665,000. The high for the week was CNC$3,825,000. The main cause of the decline near the weekend was the dumping of 3,500 bars in the black market by the Central Bank on Thursday and Friday. The number of bars sold by the Central Bank through the regular channels during the week were:

Jan.	6	400	bars at	CNC$	3,510,000
„	7	200	„	„	3,500,000
„	8	246	„	„	3,580,000
„	9	270	„	„	3,730,000
„	10	71	„	„	3,780,000
„	11	61	„	„	3,700,000

Steady At $3,700,000

As to American bank notes, quotations rose proportionately during the week under review and reached a high of CNC$6,750 on Wednesday but closed at CNC$6,600 on Saturday. Hongkong dollars closed at CNC$1,300.

On January 14 (this Tuesday) gold quotations ruled steady around CNC$3,700,000 while greenbacks were around CNC$6,500. Little business was reported because any sudden increase in gold prices would have led to heavy sales of the precious metal by the Central Bank, which not only would cause a very tight money situation in town but also as heavy decline in quotations.

It was due to this that it was reported in the market that many people had sold bars once again to buy stocks and shares, which explained the firm trend on the Shanghai Securities Exchange. Wing On Textile, quoted on Monday at CNC$555, closed on Saturday at CNC$694. On Tuesday (January 14) it reached the current high of CNC$780 during the morning session.

Rumors Boost Bonds

Great fluctuations were reported in the government bond market due to reports that the government bonds would be redeemed at 1,000 to 2,000 times their face value. Although it was perfectly well known that the rumor was groundless and absurd, the bond quotations rose, only to drop heavily during the weekend, causing many persons to make money and even more speculators to lose heavily.

The revision of the official price for rice from CNC$60,000 to CNC$68,000 per picul caused a general inerease in foodstuff prices in the city. Prices in general also rose because of the approach of the Lunar New Year celebrations.

Cotton yarn, however, continued to drop because of the control measures of the government. As from January 1, the authorities have started to buy half of the yarn and cloth produced by the local cotton mills under the agreement that foreign exchange will be given to the mills for the import of raw cotton from abroad. The yarn and cloth purchased by the authorities will be sold in the local market by the authorities in an attempt to stabilize the local market prices.

Yarn, Cloth Bought

With the purchase of yarn and cloth by the authorities, free trading in yarn and cloth was resumed during the past week. As the China Textile Development Company started to sell large quantities of yarn and cloth on January 14 at prices five to 15 percent lower than those of January 12, open market prices dropped further during the present week.

Quotations for artificial silk rose last week because of suspension of sales of Jap rayon by the Central Trust. However, when the Trust resumed regular supply again on January 13, quotations started to drop.

The following table gives the quotations for some of the key commodities during the week:

	Jan. 4 CNC$	Jan. 12 CNC$
Gold bars	3,580,000	3,665,000
US Dollar noted	6,500	6,600
Bond C	1,440	2,050
Wing On Textile ..	605	694
Ewo Cotton	7,050	8,500
Rice	60,000	68,000
Wheat flour	27,000	26,800
Peanut oil	119,000	125,000
20's Twin Horse Yarn	2,480,000	2,410,000
Raw silk	4,900,000	4,900,000
Artificial silk ..	3,300,000	3,800,000
Ruby Queen cigarettes ...	19,400	18,850
Koo Ban soap ..	77,000	76,000
My Dear matches	700,000	680,000

FEATI Planes Grounded After Sea Disaster

FOLLOWING the crash into the sea of Miss Luzon, a Far East Air Transport Inc., Skymaster, which resulted in the death of seven persons, the Philippine Government grounded all FEATI planes indefinitely, both for external and inter-island hops.

The Government charged the company with disregarding air regulations. A FEATI plane crashed into a mountain southeast of Manila exactly a month ago, and the company is said to have ignored the warning sent at that time. Its planes will now be grounded until the Aeronautical Bureau is satisfied that the company is able to operate with "maximum efficiency and safety."

The FEATI crash came shortly after the disasters here on Christmas Day, when two CNAC and one CATC planes were lost while attempting to land in the dense fog that covered the Shanghai area at the time. Another CNAC plane crashed in Tsingtao, while en route there from Shanghai, a few days after the X'mas Day tragedies.

At that time, the Chinese Government grounded all passenger planes here for one week—which ended on Monday of this week—but permitted mail and cargo operations.

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Old China Hands

Shanghai has just learned of the death of one of its former residents, —Captain Edward Budgen, who passed away on December 9 in New Milton, Hampshire, England to which place he had retired in 1937. He died at the age of 61. The late Captain Budgen came to China in 1907 to join one of the revenue cruisers of the Chinese Customs. After serving with the Kailin Mining Administration, he joined the Shanghai Pilots Association in 1920, from which organization he retired in 1937, returning to England. He is survived by a widow and three children in England, and a brother, Captain J. Budgen, in Shanghai.

Eric A. G. Petersen, manager of the Shanghai branch of the Chase Bank, was appointed second vice-president of the bank at a recent meeting of the board in New York. At the same meeting Arnold G. Asseier was named assistant manager of the Shanghai branch.

Mrs. Mary Scott, wife of R. O. Scott, returned to Shanghai on Christmas Eve. Mrs. Scott had spent six months visiting in the States.

Mrs. Gwendolin Peretz, wife of Dr. Arthur Peretz, left for the United States recently. Dr. Peretz expects to join his wife in the near future.

Mrs. B. P. Joffe died in Shanghai on January 7. She and her husband, the physician Dr. A. A. Joffe were scheduled to leave for the United States on the s.s. General Gordon to visit relatives from whom they had long been separated. Dr. Joffe injured his leg and the resultant postponement of the trip caused Mrs. Joffe to have a nervous breakdown, the ill-effects of which cost her life.

Among those who lost their lives in the Tsingtao CNAC crash were James J. Ross, a British merchant. "Paddy" Ross came to China in 1929 from Ireland. He was a Chief Inspector of the Shanghai Municipal Police for many years and was interned at Lunghwa.

D. G. M. Aronovsky, a Shanghai resident long known as a transportation expert, contemplates an early return to Palestine to rejoin his family.

Miss Gail Feldger has left Shanghai to join her fiance Richard T. Parker, in the United States. Miss Feldger is the daughter of Mrs. E. R. Feldger.

Maurice Votaw left last week to spend three months with his sister in St. Louis. "Mo" Votaw is well known in government, press and educational circles. Before the war he headed the journalism department of St. John's University. With the outbreak of hostilities he joined the International Department of the Ministry of Information, in which capacity he presided over the press hostel in Chungking. He has now taken a vacation from his duties with the same Ministry in Nanking; whether he will return to the official or to the scholastic world is uncertain.

Dr. Ladislaus Frank, chairman of the refugee journalist organization, embarked on the Marine Falcon for Vienna this week. A farewell party was given him by the grateful members of the society.

BUSINESS FOOT-NOTES

Following the closing down of 500 stores and plants in Nanking, the pro-Government *Central Daily News* predicted the total bankruptcy of Nanking's economy. The paper said that the only way to save the situation lies in further economic retrenchment and the suppression of speculation and profiteering in commodities.

* * *

Announcing the set of regulations governing the issue of productive loans, Hsu Pao-yuen, Vice-Minister of Finance, said that these loans would be limited for the time being to liquid capital for productive industries, aimed at boosting production of daily necessities, exportable goods and mining products. He added that it was beyond the Government's ability to make loans to various productive industries for machinery and equipment replenishment. These loans would be made in a year or two, he said.

* * *

Gold bars sunk in the explosion of 1944 at Bombay are being gradually recovered and a total of 38 bars, valued at US$1,266,654, has been retrieved. The latest "catch" of three gold bars was worth US$33,333. Federal Reserve Bank officials declined to state the aggregate number of bars lost when the ship on which they were loaded exploded, but said there were "many more."

* * *

The International Emergency Food Council in Washington, announcing its allocation plan for the first six months of 1947, said that China would be the second largest recipient of rice with 245,000 tons out of a total of 1,675,000 tons. India is to get the largest share of 400,000 tons.

* * *

Five big Chinese flour mills have petitioned Mayor Wu for relief owing to the constant increase in wheat prices, the *Wen Wei Pao* reported. The mills are asking for (1) Government supply of wheat; (2) Government loans at low interest; and (3) Government orders of wheat from abroad.

* * *

A special teleprinter service which was used for trans-Atlantic "talks" between British wartime Premier Winston Churchill and President Franklin Roosevelt was opened last week for international business communications. Businessmen in New York and London can dictate directly and instantaneously letters costing 1.2 pence a word without delay incidental to collecting, transmitting and delivering cables. The service is known as "International Metered Communications" or "IMCO."

* * *

One hundred thousand specialists will graduate from the higher seats of learning and 200,000 from technical schools of the USSR in 1947, according to *Tass*. This will exceed the 1946 graduations by 50 percent. Particular emphasis will be laid on transport, electrical engineering, power industries, metallurgy and chemical technology. Each graduate is to receive an assignment prior to graduation.

* * *

A report carried by local papers last week to the effect that the Sino-American Trading Company, headed by General C. L. Chennault, would place orders with local silk merchants for export to the U.S., has been denied, according to the *Sin Wan Pao*. Negotiations had been in progress for some time, but the discrepancies in prices offered have led to abandonment of the plan, the paper said.

The Central Trust of China has to date imported 10,000 cases of Japanese artificial silk on a barter basis, according to the *Ta Kung Pao*. The Trust has already rationed out 8,000 cases to native silk filatures, the paper said. A third consignment of 5,000 cases arrived here last week, and will be rationed with the balance of the initial shipments.

* * *

The eighth meeting of the City Council decided this week that restrictions on the use of household electricity were to be lifted from January 16. Those who consume less than 30 kwh per month will be allowed to continue their monthly consumption, while others are to maintain their November 1946 limit. Those who disregard this order will be warned, but fines and disconnections are to be discontinued.

* * *

The largest opium haul ever recorded by the Shanghai police was uncovered last Monday by the Shanghai Garrison Headquarters when 1,060 catties of the drug, valued at more than CNC$3,300,000,000, were unearthed from a flower bed in a private residence along Ling Sen Road, the former Avenue Joffre.

* * *

Member of the Legislative Yuan Hung Jui-chao strongly criticized the Central Bank of China for its "speculative policy on gold," at the Yuan meeting this week, according to *AP*. He stressed the need for the four Government banks to coordinate their policies with the national economy.

* * *

Manganese ore deposits have been located in the Lopingtieh Shan, 20 kilometers southeast of Loping, a city to the east of Nanchang, in Kiangsi Province, according to *Central News*. It is estimated that the deposits will yield approximately 2,000,000 tons of manganese.

* * *

The price of flour skyrocketed in Peiping this week when Canadian flour jumped from CNC$78,000 to CNC$108,000 per bag. Top grade Chinese flour increased from less than CNC$30,000 to around CNC$56,000 per bag. An *AP* report said that 10,000 tons of grain purchased in Manchuria by Peiping merchants remained stored in Northeast warehouses, because the Generalissimo's HQ had forbidden the transportation of grain from Manchuria to North China.

* * *

American steel output was expected to register this week the record rate of 91.2 percent of capacity, according to the American Iron and Steel Institute in New York. The rate was 83.9 percent last month.

* * *

The Reconstruction Finance Corporation announced recently the completion of arrangements to sell about 40,000,000 yards of Japanese cotton goods to the Netherlands for distribution in the Netherlands East Indies. This will represent a value of approximately US$10,000,000.

* * *

Dr. Ralph Mortensen delivered a lecture this week on "Buddhism in China" in the Wu Lien-teh hall of the Royal Asiatic Society.

What U.S. Papers Say . . .

LAST week, American papers had ample comment to offer on the events which led to Marshall's departure from China, his report on China and his appointment as Secretary of State to succeed James F. Byrnes.

• • •

MARSHALL

THE *New York Herald Tribune*, commenting on Marshall's statement on China, said that his mission has succeeded in that his advice was one of the factors in the adoption of China's new constitution —"a document more democratic than most observers expected."

The paper conceded, however, that Marshall failed in his efforts to bring about a political settlement of the conflict between the Nationalist Government and China's Communists. "This fact should not lead to criticism of his prolonged negotiations. There is no reason to believe, in view of the circumstances, that any other American could have done better."

The *New York Times*, writing on the same subject, said that at first glance a rather grim report regarding apparently irreconcilable forces moving toward an inevitable clash has been issued by Marshall. Nevertheless, the paper points out the way in which Marshall sees salvation, "first of all, of course, for China, but presumably, also for the rest of the world."

"In China, as elsewhere in the world, the United States must stand for democracy and not try to build frail dikes against Communism with worn and useless feudal bricks," the *Times* said.

This cannot be reached by a mere mechanical coalition of extremists, as was envisaged in Marshall's own mission, the paper pointed out. This can only be arrived at by the accession to power of liberal and middle-of-the-road elements of all factions, which, as Marshall emphasizes, must come in China under the leadership of President Chiang Kai-shek and on the basis of the democratic constitution recently adopted."

The *Times* notes that Marshall's report exhibits a certain amount of skepticism that his solution to the China problem will be adopted.

Although American policy will determine whether this course is taken, the paper says, the report also makes it evident that the U.S., whose interest and future are so deeply involved in the struggle, "has only one choice and that is to support the constitutional elements in China, which means Chiang Kai-shek and the liberals who made the constitution possible.

"It is only hoped that Chiang Kai-shek will, in turn, continue to support the same course," the *Times* concluded.

The New York *PM* stated flatly that there can be no disguising the fact that General Marshall's mission in China has been a failure. "Marshall himself has the candor to admit it. But the failure is not necessarily his fault. He has given the American people a refreshingly frank account of why China is today further removed from internal peace and unity than it was when he first arrived there," *PM* wrote.

"Marshall is right in seeing Chiang Kai-shek as, in effect, a prisoner of the reactionaries in his party," the paper stated. "Here the question arises: How will a man who cannot master his own party be able to lead a united nation? Marshall's faith in Chiang scarcely follows logically from his analysis as a whole," the editorial concluded.

The *Philadelphia Inquirer* said that in the light of these events the question of delivering to Chiang Kai-shek's Government US$500,000,000 of Export-Import Bank money obviously required careful consideration.

The paper thought it imperative to aid the starving in China but added: "As to furnishing funds and other aid for a civil war, which could be avoided if, as our special envoy remarks, honest, liberal Chinese leadership would assert itself, we have every right, in our own interest, to refuse." It must be apparent that our dealings must be realistic—and hardboiled, the paper added.

• • •

APPOINTMENT

THE *New York Times* said that although it has long been known that Secretary Byrnes wished sooner or later to lay aside the duties of one of the most exacting of all offices in the Government, the news of his resignation came without warning and with startling suddenness. There has been no reason to assume that he contemplated taking the step on the eve of the important Moscow conference on Germany, the *Times* said.

It is obvious that some observers will jump to the conclusion that a rift had developed between the policies of Truman and Byrnes, the paper suggested, foreshadowing a change of policy. The paper, however, rejected this explanation.

The only explanation is that Byrnes realized that "the heavy burdens of his office are more than he can carry." The appointment of Marshall foreshadows no change in policy, the *Times* declared.

"The course remains as charted. It is a course defined by loyalty to the principles of a war President who foresaw the end of American isolation and who dedicated his country to willing and generous acceptance of the responsibilities which fall naturally to it as a great world power," the *Times* concluded.

Five Nations To Seek Ores In Antarctic

THE progress of the Byrd Antarctic Expedition currently in the headlines brings to the fore the question of certain mineral deposits said to abound in great quantities in the otherwise barren and icy area known as the Antarctic circle. International competition is expected to develop in the near future for the conquest and partition of the Antarctic continent.

The main attraction in these wastes is uranium and other metals used in producing atomic energy.

The biggest expedition of the six —U.S., Norwegian, Russian, Chilean, Argentine and British—already on the way there is the one under command of Rear Admiral Richard E. Byrd, veteran explorer of both poles. The only other expedition in the area is th. British group which is now using one of Byrd's old bases, with American approval.

Training And Research

The initial problem of the expedition is to train personnel—4,000 of whom are taking part in the current trip—and to test equipment and techniques in frigid zones. Scientists accompanying the mission will do research work in meteorology and hydrography. Geographers will seek greater knowledge of continent conditions while geologists will be the real sleuths in the search for uranium deposits.

Norway, Russia, Chile and the Argentine have all signified their intention to send expeditions to the Antarctic. There will be plenty of space for the representatives of these nations on the 4,000,000 square miles never before explored by man. A certain amount of friction has already been evident, however.

Temperatures in the southern circle are low—lower than 80 degrees below zero, at times. Snow and glaciers cover the country while mountains rise to 15,000 feet.

Snow Deep

At the height of the mid-summer season, snow lies as deep as in the winter. Prospecting will be difficult due to the exceedingly small expanses of bare ground.

Among the minerals, coal is known to abound in fairly large quantities on the continent. But any minerals if discovered will have to be mined under extremely difficult conditions and then shipped across dangerous seas to be processed. This indicates that the actual exploitation of the mineral resources of these antarctic wastes will probably not be undertaken before mineral resources—in particular, uranium—show a tendency of running out elsewhere.

In celebrating the promulgation of the Constitution of the Republic of China on New Year's Day, local celebrities and representatives of the press and professions were jointly feted by the Shanghai City Council, Kuomintang Headquarters, Municipal Government, Woosung-Shanghai Garrison Command and the San Min Chu I Youth Corps in the Park Hotel here.

What Chinese Papers Say...

GENERAL George C. Marshall's appointment as U.S. Secretary of State and his statement on the China situation issued shortly after his departure for home were the main subjects of comment by Chinese editors here last week.

* * *

SECRETARY MARSHALL

The *Ta Kung Pao* said that the appointment indicated the center of gravity of the international situation will be shifted to the Far East, where Gen. Marshall was in constant touch with many important developments during the past year. The China problem will occupy an important place and the most important part, of course, will be the Northeast issue, the paper believed.

With Marshall the Secretary of State, the paper continued, his prestige is such that he will be able to win the respect of the Republican Party, which dominates the U.S. Congress. Being a military man with no party affiliation, it will be comparatively easy for him to deal with Congress.

"Marshall's mission in China as mediator has proved to be a failure," the paper said, "but this is China's failure, not Marshall's." It did not believe that there will be any change in the U.S. policy towards China in its underlying principles.

"This change is a wise decision on the part of President Truman," the *Wen Wei Pao* said, "for it is significant not only from the point of view of U.S. foreign relations, but also from that of her internal politics."

The paper said there has been friction between the military and the State Department since the end of the war, and that "it is no longer the State Department, but rather the authorities of the Armies of Occupation who decide U.S. policies towards Europe and the Far East today." The appointment will reduce this friction, it said.

The *Wen Wei Pao* did not believe any changes will be made in America's foreign policy, which is one of "getting prepared for a possible war with Soviet Russia." Truman's State of the Union message at the opening session of Congress was a most concrete proof of this, the liberal paper maintained.

On the Far Eastern situation, the paper said, "Whether the U.S. policy is to be strengthened or not is immaterial; what is more important is whether the policy is right or not." Marshall understands the China situation pretty well, it said, and "he has attacked the reactionary elements and encouraged the liberal ones (in China) on several occasions. We hope Secretary Marshall will at least establish the right policy towards China in the same spirit."

The official *Chung Yang Jih Pao* said that "from now on, America will attach even greater importance to her Far Eastern policy and will greatly strengthen it."

The Kuomintang organ said that Marshall's mission as a mediator has been a failure, but it is "mainly the failure of the Chinese people." It hoped American policy towards China under his direction "will be helpful in bringing about peace and unity in this country."

The *Shun Pao* said, "It is like the explosion of an atom bomb that within so short a period the situation should change so hastily and unexpectedly." The Democratic Party, of which Truman is a member, "is no longer able to control the American Congress," it added, "and Byrnes, who is also a Democrat, has found it necessary to quit at this time."

The *Shih Shih Sin Pao* (China Times) declared that "it should make us pay increased attention to the present political situation and speed up our own awakening.

"General Marshall's unceremonious charge that extremist elements both in the government and in the Communists' ranks had repeatedly frustrated his efforts to restore peace to China must be regarded as reflective of the true situation from the point of view of an observer," the paper said.

The paper held that settlement of the China situation "is extremely simple." It thought the sufferings of the people have grown to such proportions that the people simply cannot stand it any longer if the civil war is not stopped.

Present systems, thoughts and practices in China too must be changed so that they will be in line with the tide of world developments, the *Shih Shih Sin Pao* continued.

"What we fear and hate most," the paper said, "are the diehard rightists, who do not even permit as much as a chair to be moved from an upper to a lower floor, who are utterly ignorant of the fact that life is incessant activity and that to be static and without change means eventual death and destruction," the paper declared.

The paper also stated that "we also have a young leftist party which pays no attention at all to national customs and the people's will. The stronger the leftists become, the more stubborn the rightists are, and not a single justifiable reform can be carried out."

The *Chung Hua Shih Pao*, organ of the Young China Party, noted that General Marshall concluded his statement by saying that the China situation will be saved by the assumption of leadership by the liberals and minority parties. This remark was designed to encourage these elements to form a strong force for the purpose of settling the Kuomintang-Communist dispute, the paper declared.

Silk Filatures Here Said In Plight

WHILE Japanese silk is being shipped regularly to markets abroad, especially to New York, Chinese silk filature operators are expressing concern over their immediate future, according to the *Wen Wei Pao*. They are hoping that the Central Bank of China "will quickly solve their problems, otherwise there will be more difficulties," the paper said.

The factories' main demands are for an equitable price for the purchase of their stocks. The present price of CNC$7,000,000 per picul set on the stock of autumn silk is said to be too low and will cause approximately 30 percent of filatures here to close down. The approach of the Lunar Year settlements adds pessimism to the operators' outlook.

The *Wen Wei Pao* said that many silk merchants while awaiting the Central Bank's decision on the price have mortgaged their stocks with other banks in order to obtain liquid funds.

Locke Back On Staff Of Chase Bank

EDWIN J. Locke, Jr., special assistant to President Harry S. Truman since last March, and for six years a wartime servant of the Federal Government, returned to the staff of the Chase National Bank on January 1. He was appointed a vice-president of the bank and will be "identified with the handling of the bank's loans and other business."

In his letter accepting Locke's resignation, President Truman said that Locke "came into the service of the Government in a time of grave national crisis and successively in different and exacting positions of trust and responsibility....discharged (his) duties with singular ability and efficiency."

Locke first joined the staff of the Chase Bank after graduating from Harvard with honors in 1932.

The U.S. public was promised last week by Representative John E. Rankin that it would be "shocked" if it realized the extent to which Communists had infiltrated into government, education, communications and information organizations. At the moment the U.S. public is anxiously waiting for publication of a report concerning the American Communists, whose activities a committee, including Rankin, investigated.

* * *

Following recent guerrilla activities on the Bulgarian-Greek frontier, the Greek military authorities last week warned the Sofia Government that Greek forces in the future will be "compelled to pursue" into Bulgarian territory guerrillas crossing the frontier. A number of Greek guerrillas after ambushing 29 regulars recently, retreated into Bulgaria, it was reported.

EVENTS IN BRIEF

Members of the Democratic League decided at its second plenary conference here last week to participate in various organizations of local self-governments in both government and Communist controlled areas.

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Following press reports that Chinese troops have occupied the Paracel islands in the South China Sea, French official quarters indicated they had considered the islands as "always belonging to Indo-China," according to a *Reuter* dispatch from Paris last week. The French Government has not yet decided on a course of action, the report added.

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The Chinese Navy will establish an advance base in the Chusan islands off the mouth of the Yangtze River sometime in March, the *Chen Pao* of Nanking reported last week. Preliminary work in building the base has already begun, the paper said.

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Hainan Island, one of China's richest lands, has again returned to the state of a desolate island in the South China Sea today after a six-year period of development by the Japanese, the *Ta Kung Pao* said last week. The paper asserted that the Japanese had done more to develop the island in six years than China in 2,000.

* * *

As the Chinese New Year approaches there have been more threats of bomb-throwing by Hongkong's underworld to extort money from hotels, restaurants, tea houses and goldsmiths, the *Central News Agency* reports.

* * *

An official protest against the recent wounding of a Chinese boy by Hongkong's assistant superintendent of police, E. C. Luscombe, while on a hunting trip, was last week sent by Chinese Foreign Commissioner T. W. Kwok to the authorities of the Crown Colony. The protest asked for settlement of the incident according to law, *United Press said.*

* * *

More than 950 European refugees left on the s.s. Marine Lynx on Wednesday in the first mass movement of refugees from China under the UNRRA repatriation program. The Marine Lynx sailed for Naples via the Suez Canal. The refugees included 760 Austrians, 99 Italians and two Greeks.

* * *

Chinese students of Yenching University in Peiping have asked the school authorities to "immediately discharge" all American students who are U. S. servicemen or their dependents in protest against the alleged rape case, the *Ta Kung Pao* reported last week. The request was turned down.

* * *

A Soviet-Afghanistan frontier agreement has been signed at Kabul, capital of Afghanistan, *Reuter* reported this week. The agreement touched many angles of the frontier problem, virtually eliminating possibility of any further friction between the two countries in these disputed areas, the report said.

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Threatening a general strike if their demand for a wage increase is not granted in the latter part of this month, some 15,000 labor delegates paraded through Tokyo streets and later rallied outside the Imperial Palace. The delegates also called upon Japan's 2,600,000 government employees to join them in pressing their demand.

Another contingent of 8,000 troops embarked for Indo-China at Toulon, France, early this week, *Agence France-Presse* said. The troops included colonial infantry and Alpine contingents.

* * *

A Soviet delegation of seven scientists has arrived in Dehli to attend the India Science Congress, *Central News Agency* reported last week. The delegation is headed by M. Volgan, president of the Soviet Academy of Science.

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Aiming at "creating a new and greater understanding" between the Muslim League and the British public, a Muslim India Information center will be established in London shortly.

* * *

Six of the nine U.S. Navy airmen, who miraculously survived a plane crash and two weeks of exposure in the Antarctic, were last week brought back to safety aboard a Byrd expedition seaplane tender, *Associated Press* reported from the South Pole.

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A new angle of an American anti-Communist drive came to light recently in a *World Report* article which alleged the U.S. Government is planning to spend US$2,000,000,000 to aid in "pouring a stream of food and raw materials to get industries going and stomachs full into presently economically disorganized countries that are seed-beds of Communism."

* * *

The Security Council last week formally accepted the Foreign Ministers Council's decisions on Trieste and undertook the responsibilities of guaranteeing the integrity and independence of the proposed free territory.

* * *

China's Dr. Quo Tai-chi and Russia's Gromyko unexpectedly clashed during the debate on acceptance of the Big Four's recommendations by the Council, when Dr. Quo suggested that the specific mention of the four governments be changed to read simply as the Foreign Ministers Council. Gromyko said the suggestion was unnecessary, *Central News* said.

* * *

As the road transport strike in London spread to greater proportions, British Minister of Food John Strachey announced last week that troops will be used to haul food to the market this week. The decision was made shortly after 2,000 meat workers resolved to walk out in sympathy with the transport strikers.

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A defendant in the trial of four persons charged with treason last week testified at a Warsaw military tribunal that the British ambassador to Poland received state and military secrets from an underground organization planning to overthrow the government, *AP* said.

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Voicing determination of the secret Jewish army to "destroy the British forces" until the Jewish state is established, two Irgun Zvai Leumi leaflet "bombs" were thrown in Rome and Venice last week, *Reuter* reported.

* * *

Explosives in a motor car destroyed a British police station in Haifa last week, and latest official reports listed five killed and 72 injured, *AP* said. The police declined to comment officially as to the identity of the persons responsible, but one officer said, "Looks like the Stern gang is at work again."

Britain Tightens Cotton Monopoly

IN line with the nationalization measures which the Labor Government in Britain is exerting efforts to achieve in many lines of commerce and industry, the cotton industry received its part of attention recently when trading in cotton was tightened and a new five-year plan instituted to modernize English mills.

This control of the cotton industry will serve as a test of the Labor Government's ability to handle commodities beyond the boundaries of the British Empire.

The plan has grown out of wartime Government buying control and means the abolition of the famous Cotton Exchange at Liverpool weakened by inactivity during the hostilities. The other indications are that Le Havre in France will succeed Liverpool in Europe, while the center of cotton trading will pass to New York.

State Buying

The Raw Cotton Commission will purchase between 2,000,000 and 3,000,000 bales of cotton a year. The Government"s aim is to process more fiber and increase Britain's textile exports.

The proponents of Government buying in Britain contend that this program will assure price stability in the cotton field. Earlier profits or public funds will be used as stabilizers when prices rise on the world market. Thus, good and bad years will be "averaged" and balanced, with the profits and losses absorbed by the Government.

Opponents of this system fear losses of public money, losses in currency exchange and a certain amount of deterioration of British prestige. They also fear the narrowing of the range of qualities from which Lancashire spinners can choose.

The modernization of mills—which are known to be lower in efficiency than American mills—will be sponsored by the Government through grants covering 25 percent of cost of machinery replacements. The larger mills will be encouraged to modernize, while the smaller mills will be prompted to combine in larger units.

Fewer Workers

Britain's textile industry today employs fewer persons than before the war—245,000, against 370,000 in 1939. The industry, however, expects increases in output through introduction of labor-saving machinery.

The question of mill modernization through Government subsidies is likely to raise the question of whether the U.S. might consider a countervailing duty on cotton goods shipped from Britain to the U.S. On the other hand, while Britain's program excludes new construction, there is an American five-year plan which entails modernization and expansion at the rate of US$100,000,000 annually.

Who's Who in China

CHANG CHIA-CHU, industrialist and promoter of China's foreign trade; born at Paoshan, Kiangsu, 1902; educated at Clark and Columbia Universities, U.S.A., 1925-28; secretary of Great China In-

Chang Chia-chu

（張嘉璈字公九）

dustrial Corporation, a Chinese-British firm, 1925-28; assistant director of Research and Credit Department, and assistant manager of Bank of China, Chungking, 1928-34; special commissioner of Ministry of Foreign Affairs to Japan and Korea on trade and consular investigation trip, 1935; deputy director of Bureau of Foreign Trade, Ministry of Industry, 1935-38; executive committee member of Foreign Trade Commission, Ministry of Finance, 1938-45; member of Chinese delegation to International Business Conference at Rye, New York, in 1944; one of founders of China Vegetable Oil Corporation and several similar establishments intended to develop China's export trade, and has been president of the CVOC since 1936; concurrently, advisor to Ministry of Agriculture and Forestry, chief executive secretary of Foreign Trade Association of China, director of China Fats and Oils Industries, Ltd., and chairman of board of directors of Cathay Pigment Manufactory and All-China Export Corporation, he is younger brother of Democratic Socialist leader Carson Chang and Northeast Economic Commission chairman Chang Chia-ngau; author of China Tung Oil and Its Future, China's Urge for Industrialization, and China's Foreign Trade and U.S.A.; address: China Vegetable Oil Corporation, Shanghai.

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

PEOPLE IN THE NEWS

FIELD MARSHAL LORD MONTGOMERY, Chief of the Imperial General Staff, has returned to England after a five-day goodwill mission in Russia. He said that he enjoyed his visit thoroughly, that he was much impressed by the Red Army, and that he got on "very well indeed" with Marshal Stalin, who appeared to be in excellent health.

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HAROLD STASSEN, so far the only self-proclaimed candidate for the 1948 Republican presidential nomination, is reported to be contemplating a visit to Russia at his own expense and by invitation of Viacheslav Molotov. Stassen has advocated the retention of a strong Army, Navy and Air Force until such time as the United Nations is prepared to enforce universal disarmament.

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GEN. DOUGLAS MacARTHUR said in a letter to Dr. Roy G. Ross, general secretary for the International Youth Week to be held in the United States and Canada this month, that it was the Christian faith that furnished the moral force for the defeat of Japan and provided the philosophy for her treatment under the occupation. He declared that the basic dogmas of the Christian faith—tolerance and justice—were the keystones of our treatment of the fallen foe.

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GEN. HSIUNG SHIH-HUI, Director of the Generalissimo's Headquarters in Manchuria, has gone to Nanking in order to receive instructions from the Central Government as to the handling of the problem of Dairen. He told newsmen that it was an international problem which could not be solved locally, and described as unreliable the reports that Government troops are poised on the outskirts of Dairen.

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GEN. GEORGE C. MARSHALL, newly appointed Secretary of State, told Honolulu reporters that he believed the anti-American demonstrations in China were "inspired"— by whom he refused to say. He remarked that there was no evidence that Chinese Communists were supported by Russia. Questioned as to his attitude to his new position as compared to that of Chief of Staff, he said that he considered it a challenge, as soldiering is his profession while diplomacy is a new field.

* * *

JAMES F. BYRNES, in a speech before retiring as Secretary of State, said he was "more confident than at any time since V-J day that we can achieve a just peace by cooperative effort." He urged the United States to maintain her military strength. "Force does not make right, but we must realize that in this imperfect world power as well as reason does affect international decisions." He stated that to build a regime of international law "we must struggle to create a world in which no nation can arbitrarily impose its will upon any other nation. Neither the United States nor any other state should have the power to dominate the world."

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GEN. CHANG CHIH-CHUNG, Governor of Sinkiang, denied rumors that he was to be sent to negotiate with the Communists or that he is to replace Gen. Chen Cheng as Chief of Staff. He denied that recent unrest in Sinkiang was Soviet-inspired, and averred that Sinkiang should not present a serious problem if the interests of the racial minorities, comprising 90 percent of the population, were respected according to the principles of Dr. Sun Yat-sen. "The key to the problem lies in our own hands—whether we can win the hearts of native tribes," he said.

* * *

DONALD J. KING, vice-president of oriental regions of Northwest Airlines, has recently arrived in Shanghai on a trial flight. He predicts that regular sevice over the top of the world will be inaugurated late this spring as no special difficulties have so far been encountered.

* * *

HENRY A. WALLACE, recently ousted Secretary of Commerce and currently editor of the *New Republic*, declared that the United States is heading for war with Russia. "The most certain way of attaining war with Russia is by going along as we are, trying to be tough with the Soviet Union. By cutting off loans to Poland and Czechoslovakia we cause those countries to turn to Russia and her domination and thus build up the Soviet power that might create the possibility of war." On the domestic front Wallace predicted that a third party would be inevitable" if the present chaotic two-party system continues."

* * *

DR. SUN FO, President of the Legislative Yuan, suggested as the best solution to current political differences a round table discussion participated in by all parties. He lauded the impartiality and correctness of General Marshall's analysis of China's ills, and emphasized the seriousness of the danger if political disputes remain unguided. Dr. Sun said that the civil war is a great shame to the Government and to the people.

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MAURICE SCHUMANN, leader of the French Progressive Catholic Party, claimed in a speech in Cleveland, Ohio, that if the United States withdraw from Europe England will feel obliged to build up Germany as a bulwark against Russia, and Russia will feel obliged to build Germany as a protection against England. He declared that France's aim was "to prevent Europe becoming a battlefield and France a cemetery."

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WARREN R. AUSTIN has been appointed United States representative on the Atomic Energy Commission by President Truman, subject to the Senate's confirmation. He succeeds Bernard M. Baruch, who resigned recently. Austin is also United States representative to the United Nations.

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DR. MOHAMMED HATTA, Vice-President of the Indonesian Republic, declared in a speech at Jogjakarta, Central Java, that Dutch militarists and imperialists were attempting to "sabotage" the decisions of the Dutch Government and compel the Indonesians to fight. He particularly accused the Commander-in Chief of the Dutch Army and Admiral Halfrech, Commander of the Netherlands Navy.

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PENG HSUEH-PEI, Minister of Information, sent up a trial balloon for the Government sounding out Communist reactions to a Government mission to Yenan. The minister spoke to the effect that the government is now willing to talk regarding the end of the civil war and unification with the Communists. The reaction at Communist headquarters in Nanking was a reiteration of the same two points which even Marshall declared unreasonable.

NEW BOOKS OF INTEREST

Unfulfilled Promise

CHINA'S POSTWAR MARKETS *by Chi Tsang. Published by the Institute of Pacific Relations, New York, and Distributed by The Macmillan Company, New York,* 1945. 240 *pp.*, US$3.50. *Reviewed by J. R. Kaim.*

I REMEMBER an old saying: "Things mostly happen otherwise than you and I expect." When Chih Tsang's book was published shortly before the end of the Pacific War, that author, too, predicted things that failed to turn up, or when they did, happened otherwise than he expected.

The end of the war, the author predicted, would automatically curb inflation to a considerable extent by reopening the normal channels of trade; in reality, as we all know, money inflation increased drastically in China after the war and, up to this time, has not come to an end. But, the author may object, this is only due to the fact that in reality the war in China is not over at all; the war against Japan is over but the civil war goes on.

In fact, the author did not believe that there would be civil strife. On the contrary, he definitely stated that while (when he wrote his book) "local conflicts between the Communist and the Government forces are reported, one may safely say all parties will settle their disputes by peaceful means, providing no strong outside forces intervene and thereby make the conflict an international issue."

Chi Tsang's book is, of course, based on prewar figures, and those figures are certainly as correct as possible. They give a good picture of what China used to produce, consume, import and export, and from a logical point of view all the author says is no doubt right and clear. But, like so many others, he thinks in terms of the famous 450,000,000 customers in China and overlooks the small buying power of the overwhelming majority of the country's masses. Perhaps he also overestimates their power of production, which, of course, is particularly low at present.

On the other hand, the author knows pretty well what is handicapping China's exports and cites all those things that must be done to improve the quality of exportable goods, and the avoidance of adulteration and other undesirable practices. He has also foreseen, quite correctly, that China's export markets will be narrower than they used to be before the war—he probably did not foresee that her exports would decline to their present low level.

With China again in the limelight of political interest, especially in the United States, the book is interesting particularly from this point of view: it shows what might have been achieved if civil war and inflation had been avoided. Obviously, the author believes in the possibility of close economic cooperation, and he also believes in China's future as a producer of consumers' goods. He could not foresee that even in this respect matters would fail to develop normally, and that both foreign capital and foreign policy would be obliged to show much caution in dealing with China.

China, unfortunately, has at present less chance of becoming that great market which the author forecasts than she had nine years ago when the statistical records, on which most of his calculations are based, were published.

New York Episode

BERNARD CLARE *by James T. Farrell. Published by The Vanguard Press, New York,* 1946. 366 *pp.*, US$2.75. *Reviewed by Marion Barney.*

CHICAGO's chronicler has produced an epic of New York; of the Westside slums, of the Village, Union Square, Broadway, Fifth Avenue, Central Park and Queens. The story is of a boy with literary aspirations in the disillusioned materialist era of the twenties.

Bernard Clare has come from a seedy Irish Chicago family to New York, with the intention of becoming a writer. He supports himself for about six months as a salesman, an occupation at which he is adept if unenthusiastic. He has an intense love affair with a married woman which is abruptly ended in a most sordid discovery scene. At last he returns home, having gained nothing but experience.

However, the book does not end on a note of defeat. It is only one period in the life of a non-conformist. It is a novel of spiritual development. The boy himself regards most of his experiences as contributing to his own development and understanding; to his equipment as an author. I quote his letter to his mistress with which the book ends: "Dear Eva:

"I am taking the train for Chicago tonight, and you are the only person to whom I want to say good-by. You are the first person in my whole life who ever expressed confidence in me and meant it.

"I have been very lonely here in New York, except when I was with you. I am fed up, fed up with my stupid life here, even with myself. I threw up my job. I don't know what I will do in Chicago, but I am going back with the feeling that I am more mature now than I was when I came here last June. On the surface of things it looks as though I have failed, and that by leaving I am running away, running back to everything from which I tried to escape. But I am going back to Chicago with more confidence than I really had when I came. Then my confidence was a wish, a hope. The whole meaning of my trip here was that I was seeking to discover myself. And that is why I want to be a writer. I want to know and discover myself, because if I do, I will know other people. And that is what I really mean in wanting to be free. I have been wildly rebellious and I still feel that way. I have never chained my feelings of rebellion. I won't sacrifice these feelings, but I will chain them. I want to say this to someone—to you. And I want to say good-by, and in doing so to tell you I have such affection and respect for you.

"Bernard."

There is little to be said of the style of an established author, except that he more than lives up to his reputation. Farrell is able with incredible vividness to recall the psychological struggles of youth. Added to that is his wonderful descriptive power; his ability to recreate the atmosphere of a place or event. The following is from his description of Union Square at the time of the Sacco-Vanzetti execution.

"Union Square was as quiet as a cathedral.

"The crowd on the walks and grass stood facing eastward. It was continually augmented by people streaming in from all directions, and they, also, stood silent, facing the east.

"The noise of traffic on the streets surrounding the Square, the thunder of subway trains which moved below it, these were to be heard as if through the walls of a church where all was still.

"Murmurs of conversation, little fragments of talk in low and strained whispers, and then, again, this silence.

"The place was surrounded by armed police. They stood in readiness to control every street giving off from the Square. They were grouped as reinforcements on the side streets. They formed a wall of clubs, guns, of the remorseless power of the law. They stood like human forts amid the crowd in the Square itself.

"Never, never in any church had Bernard heard such silence, such pregnant, powerful silence as this."

Fortnightly

CHINA DIGEST *published fortnightly by the China Digest Association at 20 Caine Road, Hongkong. 1st issue: December 31, 1946. Reviewed by Y. F. Soo.*

THIS is, ostensibly, an intellectual's magazine — a fortnightly review and digest of current Chinese political and economic events. In its first editorial, the magazine calls upon the intellectuals to bridge the gap between China and the other nations and to serve as a link between them. Written in the form of a Foreword, the editorial states:

"The magazine hopes that its readers will help establish it as a medium which in its own small way may contribute to hasten intellectual reorientation of the world and bring about greater understanding among the common peoples of all nations."

This is indeed a laudable stand to take in particular as the editorial points out that "the age of the White Man's Burden and the Boxer Rebellion has gone forever." It also shows that the periodical in question is beamed not upon an abstract reading public but has in mind a certain layer of society, viz., the liberal foreigner in China and abroad.

In its first issue, the fortnightly presents comments on the following subjects: The Draft Constitution—An issue of Discord; Why Democratic League and Communists Boycott the National Assembly! Behind the Sino-American Commercial Treaty; and a Brief introduction to Chinese Music—briefly, touching upon a number of vital subjects which torment Chinese minds currently.

A series of acute political cartoons—most of them reprints from Chinese publications—are presented. The fact that they are reprints does not discount their strength inasmuch as the major part of the *China Digest's* readers, presumably, are intended to be non-Chinese.

It is difficult to judge a magazine on the merits of its initial issue. It is safe, however, to assert that its political position is somewhere left of center, rather closer to the Democratic League than to any other political group here.

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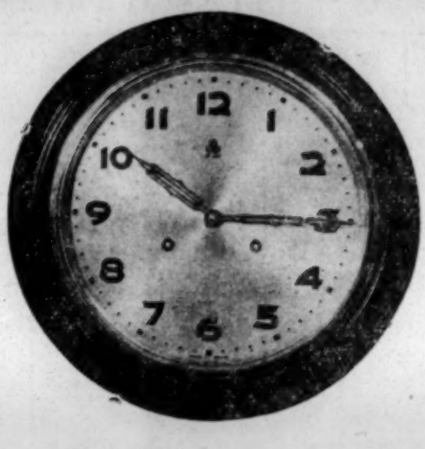
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TIME TABLE

4	72	6	8	78	2	10	12	車次 TRAIN NO.	1	5	77	7	71	3	9	11
I, II Exp.	I Wusih Excur.	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II N'king Excur. Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	站名 STATIONS	I, II H'chow Excur Throu. Exp.	I, II III Exp.	II, III Local Exp.	I, II Exp.	I Wusih Excur	I, II Exp.	I, II III Night Exp.	I, II Night Exp.
7.00	8.30	9.00	11.00	12.30	13.30	21.50	23.00	D 上海 SHANGHAI A	14.45	16.25	17.10	19.30	21.35	22.45	6.35	8.09
		10.16	12.14	13.48		23.23		D 北站 NORTH D		15.24	16.05	18.15			5.28	
8.41	10.09	10.57	12.57	14.29	15.17	0.20	1.06	A 崑山 KUNSHAN D	13.06	14.33	15.19	17.29	19.42	21.06	4.39	5.39
8.48	10.14	11.06	13.04	14.36	15.26	0.27	1.13	D 蘇州 SOOCHOW A	12.59	14.19	15.09	17.21	19.34	20.58	4.32	5.19
9.36	11.05	11.54	13.55	15.25	16.14	1.22	2.08	A 無錫 WUSIH D	12.11	13.24	14.10	16.27	18.45	20.10	3.39	4.26
9.42		12.06	14.02		16.23	1.29	2.15	D 無錫 WUSIH A	12.04	13.18		16.21		20.03	3.33	4.19
10.31		12.59	15.01		17.09	2.27	3.13	A 常州 CHANGCHOW D	11.17	12.22		15.20		19.16	2.35	3.30
10.40		13.08	15.15		17.19	2.37	3.25	D 常州 CHANGCHOW A	11.06	12.09		15.08		19.06	2.24	3.20
11.38		14.00	16.13			3.56	4.29	A 丹陽 TANYANG D		11.09		14.05		18.12	1.07	2.03
11.41		14.03	16.17			4.00	4.33	D 丹陽 TANYANG A		11.05		13.55		18.03	1.02	2.00
12.18		14.40	17.01		18.46	4.46	5.18	A 鎮江 CHINKIANG D	9.32	10.28		13.07		17.23	0.09	1.07
12.25		14.45	17.17		18.53	4.55	5.27	D 西站 WEST A	9.24	10.21		12.59		17.15	23.56	1.00
13.55		16.10	18.50		20.20	6.30	7.15	A 南京 NANKING D	8.00	9.00		11.00		15.45	22.00	23.00

FARE LIST

(Note:—Fares for Trains Nos. 1, 2, 3, 4, 71, & 72 not included.)

STATIONS 站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI 上海							
KUNSHAN 崑山	52	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.
SOOCHOW 蘇州	87	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.
WUSIH 無錫	129	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.
CHANGCHOW 常州	168	14,000.	16,000.	7,000.	8,000.	3,500.	4,000.
TANYANG 丹陽	213	16,000.	20,000.	8,000.	10,000.	4,000.	5,000.
CHINKIANG WEST 鎮江西站	243	18,000.	22,000.	9,000.	11,000.	4,500.	5,500.
NANKING 南京	312	24,000.	28,000.	12,000.	14,000.	6,000.	7,000.

滬杭線 SHANGHAI-HANGCHOW LINE

TIME TABLE

23	21	61	67	25	1	41	車次 TRAIN NO.	92	42	2	68	26	22	62	94
I, II III Exp.	West Lake Throu.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	站名 STATIONS	I, II III Local Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Excur.	II, III, IV Ord.	I, II III Local Exp.
6.45	8.00	8.15		11.30	16.00	16.15	D 上海北站 SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	
7.05	8.16	8.36	9.00	11.53	16.19	16.36	D 上海西站 SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	
7.49		9.46	10.29	12.38	17.03	17.46	A 松江 SUNGKIANG D	7.51	10.44	11.26	15.29	17.48		21.00	
7.54		9.56	10.40	12.43	17.08	17.51	D 松江 SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	
9.02	10.02	11.40	12.50	13.50	18.16	19.23	A 嘉興 KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	
9.16	10.08	11.50	13.15	13.58	18.26	19.33	D 嘉興 KASHING A		8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	D 峽石 YEHZAH D		8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	A 長安鎮 CHANGAN-TSENG D		7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	D 長安鎮 CHANGAN-TSENG A		7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	A 杭州 HANGCHOW D		6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

(Note:—Fares for Trains Nos. 1, 2, 21, & 22 not included.)

STATIONS 站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI 上海							
SUNGKIANG 松江	45	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.
KASHING 嘉興	99	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.
YEHZAH 峽石	126	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.
CHANGANTSENG 長安鎮	151	12,000.	14,000.	6,000.	7,000.	3,000.	3,500.
HANGCHOW 杭州	190	14,000.	18,000.	7,000.	9,000.	3,500.	4,500.

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